

**SUBSTITUTE FOR
SENATE BILL NO. 130**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18,
18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22i, 23a, 24, 24a,
24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41,
43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a,
98, 99, 99h, 102, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, and
163 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j,
388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1618a,
388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a,
388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1623a, 388.1624,
388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b,
388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p,
388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c,

388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699h, 388.1702, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, and 388.1763), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 20g, 21f, 22d, 22f, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 104, 104b, 107, 147, 147a, 152a, and 163 as amended and sections 11r, 43, 64b, 95a, and 104c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, and 147c as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, and section 102 as amended by 2013 PA 60, and by adding sections 31h, 35, 35a, 35b, 35d, 35e, 35f, 55, 61b, 67, 77, 99c, 102a, 102b, 102c, 102d, and 104d; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or by an intermediate district for special education
3 pupils from several districts in programs for pupils with autism
4 spectrum disorder, pupils with severe cognitive impairment, pupils
5 with moderate cognitive impairment, pupils with severe multiple
6 impairments, pupils with hearing impairment, pupils with visual
7 impairment, and pupils with physical impairment or other health
8 impairment. Programs for pupils with emotional impairment housed in
9 buildings that do not serve regular education pupils also qualify.
10 Unless otherwise approved by the department, a center program
11 either shall serve all constituent districts within an intermediate

1 district or shall serve several districts with less than 50% of the
2 pupils residing in the operating district. In addition, special
3 education center program pupils placed part-time in noncenter
4 programs to comply with the least restrictive environment
5 provisions of section 612 of part B of the individuals with
6 disabilities education act, 20 USC 1412, may be considered center
7 program pupils for pupil accounting purposes for the time scheduled
8 in either a center program or a noncenter program.

9 (2) "District and high school graduation rate" means the
10 annual completion and pupil dropout rate that is calculated by the
11 center pursuant to nationally recognized standards.

12 (3) "District and high school graduation report" means a
13 report of the number of pupils, excluding adult **EDUCATION**
14 participants, in the district for the immediately preceding school
15 year, adjusted for those pupils who have transferred into or out of
16 the district or high school, who leave high school with a diploma
17 or other credential of equal status.

18 (4) "Membership", except as otherwise provided in this
19 article, means for a district, a public school academy, the
20 education achievement system, or an intermediate district the sum
21 of the product of ~~.90~~**.85** times the number of full-time equated
22 pupils in grades K to 12 actually enrolled and in regular daily
23 attendance on the pupil membership count day for the current school
24 year, plus the product of ~~.10~~**.15** times the final audited count
25 from the supplemental count day for the ~~current~~**IMMEDIATELY**
26 **PRECEDING** school year. A district's, public school academy's, or
27 intermediate district's membership shall be adjusted as provided

1 under section 25e for pupils who enroll in the district, public
2 school academy, or intermediate district after the pupil membership
3 count day. All pupil counts used in this subsection are as
4 determined by the department and calculated by adding the number of
5 pupils registered for attendance plus pupils received by transfer
6 and minus pupils lost as defined by rules promulgated by the
7 superintendent, and as corrected by a subsequent department audit.
8 For the purposes of this section and section 6a, for a school of
9 excellence that is a cyber school, as defined in section 551 of the
10 revised school code, MCL 380.551, and is in compliance with section
11 553a of the revised school code, MCL 380.553a, a pupil's
12 participation, **AS DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH**
13 **THE PUPIL ACCOUNTING MANUAL**, in the cyber school's educational
14 program is considered regular daily attendance; for the education
15 achievement system, a pupil's participation, **AS DETERMINED BY THE**
16 **DEPARTMENT IN ACCORDANCE WITH THE PUPIL ACCOUNTING MANUAL**, in an
17 online educational program of the education achievement system or
18 of an achievement school is considered regular daily attendance;
19 and for a district a pupil's participation in an online course as
20 defined in section 21f is considered regular daily attendance. The
21 amount of the foundation allowance for a pupil in membership is
22 determined under section 20. In making the calculation of
23 membership, all of the following, as applicable, apply to
24 determining the membership of a district, a public school academy,
25 the education achievement system, or an intermediate district:
26 (a) Except as otherwise provided in this subsection, and
27 pursuant to subsection (6), a pupil shall be counted in membership

1 in the pupil's educating district or districts. An individual pupil
2 shall not be counted for more than a total of 1.0 full-time equated
3 membership.

4 (b) If a pupil is educated in a district other than the
5 pupil's district of residence, if the pupil is not being educated
6 as part of a cooperative education program, if the pupil's district
7 of residence does not give the educating district its approval to
8 count the pupil in membership in the educating district, and if the
9 pupil is not covered by an exception specified in subsection (6) to
10 the requirement that the educating district must have the approval
11 of the pupil's district of residence to count the pupil in
12 membership, the pupil shall not be counted in membership in any
13 district.

14 (c) A special education pupil educated by the intermediate
15 district shall be counted in membership in the intermediate
16 district.

17 (d) A pupil placed by a court or state agency in an on-grounds
18 program of a juvenile detention facility, a child caring
19 institution, or a mental health institution, or a pupil funded
20 under section 53a, shall be counted in membership in the district
21 or intermediate district approved by the department to operate the
22 program.

23 (e) A pupil enrolled in the Michigan schools for the deaf and
24 blind shall be counted in membership in the pupil's intermediate
25 district of residence.

26 (f) A pupil enrolled in a career and technical education
27 program supported by a millage levied over an area larger than a

1 single district or in an area vocational-technical education
2 program established pursuant to section 690 of the revised school
3 code, MCL 380.690, shall be counted only in the pupil's district of
4 residence.

5 (g) A pupil enrolled in a public school academy shall be
6 counted in membership in the public school academy.

7 (h) A pupil enrolled in an achievement school shall be counted
8 in membership in the education achievement system.

9 (i) For a new district or public school academy beginning its
10 operation after December 31, 1994, or for the education achievement
11 system or an achievement school, membership for the first 2 full or
12 partial fiscal years of operation shall be determined as follows:

13 (i) If operations begin before the pupil membership count day
14 for the fiscal year, membership is the average number of full-time
15 equated pupils in grades K to 12 actually enrolled and in regular
16 daily attendance on the pupil membership count day for the current
17 school year and on the supplemental count day for the current
18 school year, as determined by the department and calculated by
19 adding the number of pupils registered for attendance on the pupil
20 membership count day plus pupils received by transfer and minus
21 pupils lost as defined by rules promulgated by the superintendent,
22 and as corrected by a subsequent department audit, plus the final
23 audited count from the supplemental count day for the current
24 school year, and dividing that sum by 2.

25 (ii) If operations begin after the pupil membership count day
26 for the fiscal year and not later than the supplemental count day
27 for the fiscal year, membership is the final audited count of the

1 number of full-time equated pupils in grades K to 12 actually
2 enrolled and in regular daily attendance on the supplemental count
3 day for the current school year.

4 (j) If a district is the authorizing body for a public school
5 academy, then, in the first school year in which pupils are counted
6 in membership on the pupil membership count day in the public
7 school academy, the determination of the district's membership
8 shall exclude from the district's pupil count for the immediately
9 preceding supplemental count day any pupils who are counted in the
10 public school academy on that first pupil membership count day who
11 were also counted in the district on the immediately preceding
12 supplemental count day.

13 (k) In a district, a public school academy, the education
14 achievement system, or an intermediate district operating an
15 extended school year program approved by the superintendent, a
16 pupil enrolled, but not scheduled to be in regular daily attendance
17 on a pupil membership count day, shall be counted.

18 (l) To be counted in membership, a pupil shall meet the
19 minimum age requirement to be eligible to attend school under
20 section 1147 of the revised school code, MCL 380.1147, or shall be
21 enrolled under subsection (3) of that section, and shall be less
22 than 20 years of age on September 1 of the school year except as
23 follows:

24 (i) A special education pupil who is enrolled and receiving
25 instruction in a special education program or service approved by
26 the department, who does not have a high school diploma, and who is
27 less than 26 years of age as of September 1 of the current school

1 year shall be counted in membership.

2 (ii) A pupil who is determined by the department to meet all
3 of the following may be counted in membership:

4 (A) Is enrolled in a public school academy or an alternative
5 education high school diploma program, that is primarily focused on
6 educating homeless pupils.

7 (B) Had dropped out of school for more than 1 year and has re-
8 entered school.

9 (C) Is less than 22 years of age as of September 1 of the
10 current school year.

11 **(D) IS CONSIDERED TO BE HOMELESS UNDER 42 USC 11302.**

12 (iii) If a child does not meet the minimum age requirement to
13 be eligible to attend school for that school year under section
14 1147 of the revised school code, MCL 380.1147, but will be 5 years
15 of age not later than December 1 of that school year, the district
16 may count the child in membership for that school year if the
17 parent or legal guardian has notified the district in writing that
18 he or she intends to enroll the child in kindergarten for that
19 school year.

20 (m) An individual who has obtained a high school diploma shall
21 not be counted in membership. An individual who has obtained a
22 general educational development (G.E.D.) certificate shall not be
23 counted in membership unless the individual is a ~~pupil~~-**STUDENT** with
24 a disability as defined in R 340.1702 of the Michigan
25 administrative code. An individual participating in a job training
26 program funded under former section 107a or a jobs program funded
27 under former section 107b, administered by the Michigan strategic

1 fund, or participating in any successor of either of those 2
2 programs, shall not be counted in membership.

3 (n) If a pupil counted in membership in a public school
4 academy or the education achievement system is also educated by a
5 district or intermediate district as part of a cooperative
6 education program, the pupil shall be counted in membership only in
7 the public school academy or the education achievement system
8 unless a written agreement signed by all parties designates the
9 party or parties in which the pupil shall be counted in membership,
10 and the instructional time scheduled for the pupil in the district
11 or intermediate district shall be included in the full-time equated
12 membership determination under subdivision (q) **AND SECTION 101.**

13 However, for pupils receiving instruction in both a public school
14 academy or the education achievement system and in a district or
15 intermediate district but not as a part of a cooperative education
16 program, the following apply:

17 (i) If the public school academy or the education achievement
18 system provides instruction for at least 1/2 of the class hours
19 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101,** the
20 public school academy or the education achievement system shall
21 receive as its prorated share of the full-time equated membership
22 for each of those pupils an amount equal to 1 times the product of
23 the hours of instruction the public school academy or the education
24 achievement system provides divided by the number of hours
25 ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for full-
26 time equivalency, and the remainder of the full-time membership for
27 each of those pupils shall be allocated to the district or

1 intermediate district providing the remainder of the hours of
2 instruction.

3 (ii) If the public school academy or the education achievement
4 system provides instruction for less than 1/2 of the class hours
5 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101**, the
6 district or intermediate district providing the remainder of the
7 hours of instruction shall receive as its prorated share of the
8 full-time equated membership for each of those pupils an amount
9 equal to 1 times the product of the hours of instruction the
10 district or intermediate district provides divided by the number of
11 hours ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for
12 full-time equivalency, and the remainder of the full-time
13 membership for each of those pupils shall be allocated to the
14 public school academy or the education achievement system.

15 (o) An individual less than 16 years of age as of September 1
16 of the current school year who is being educated in an alternative
17 education program shall not be counted in membership if there are
18 also adult education participants being educated in the same
19 program or classroom.

20 (p) The department shall give a uniform interpretation of
21 full-time and part-time memberships.

22 (q) The number of class hours used to calculate full-time
23 equated memberships shall be consistent with section ~~101(3).~~ **101**.
24 In determining full-time equated memberships for pupils who are
25 enrolled in a postsecondary institution, a pupil shall not be
26 considered to be less than a full-time equated pupil solely because
27 of the effect of his or her postsecondary enrollment, including

1 necessary travel time, on the number of class hours provided by the
2 district to the pupil.

3 (r) ~~Beginning in 2012-2013, full-time~~ **FULL-TIME** equated
4 memberships for pupils in kindergarten shall be determined by
5 dividing the number of instructional hours scheduled and provided
6 per year per kindergarten pupil by the same number used for
7 determining full-time equated memberships for pupils in grades 1 to
8 12. However, to the extent allowable under federal law, for a
9 district or public school academy that provides evidence
10 satisfactory to the department that it used federal title I money
11 in the 2 immediately preceding school fiscal years to fund full-
12 time kindergarten, full-time equated memberships for pupils in
13 kindergarten shall be determined by dividing the number of class
14 hours scheduled and provided per year per kindergarten pupil by a
15 number equal to 1/2 the number used for determining full-time
16 equated memberships for pupils in grades 1 to 12. The change in the
17 counting of full-time equated memberships for pupils in
18 kindergarten that took effect for 2012-2013 is not a mandate.

19 (s) For a district, a public school academy, or the education
20 achievement system that has pupils enrolled in a grade level that
21 was not offered by the district, the public school academy, or the
22 education achievement system in the immediately preceding school
23 year, the number of pupils enrolled in that grade level to be
24 counted in membership is the average of the number of those pupils
25 enrolled and in regular daily attendance on the pupil membership
26 count day and the supplemental count day of the current school
27 year, as determined by the department. Membership shall be

1 calculated by adding the number of pupils registered for attendance
2 in that grade level on the pupil membership count day plus pupils
3 received by transfer and minus pupils lost as defined by rules
4 promulgated by the superintendent, and as corrected by subsequent
5 department audit, plus the final audited count from the
6 supplemental count day for the current school year, and dividing
7 that sum by 2.

8 (t) A pupil enrolled in a cooperative education program may be
9 counted in membership in the pupil's district of residence with the
10 written approval of all parties to the cooperative agreement.

11 (u) If, as a result of a disciplinary action, a district
12 determines through the district's alternative or disciplinary
13 education program that the best instructional placement for a pupil
14 is in the pupil's home or otherwise apart from the general school
15 population, if that placement is authorized in writing by the
16 district superintendent and district alternative or disciplinary
17 education supervisor, and if the district provides appropriate
18 instruction as described in this subdivision to the pupil at the
19 pupil's home or otherwise apart from the general school population,
20 the district may count the pupil in membership on a pro rata basis,
21 with the proration based on the number of hours of instruction the
22 district actually provides to the pupil divided by the number of
23 hours ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for
24 full-time equivalency. For the purposes of this subdivision, a
25 district shall be considered to be providing appropriate
26 instruction if all of the following are met:

27 (i) The district provides at least 2 nonconsecutive hours of

1 instruction per week to the pupil at the pupil's home or otherwise
2 apart from the general school population under the supervision of a
3 certificated teacher.

4 (ii) The district provides instructional materials, resources,
5 and supplies that are comparable to those otherwise provided in the
6 district's alternative education program.

7 (iii) Course content is comparable to that in the district's
8 alternative education program.

9 (iv) Credit earned is awarded to the pupil and placed on the
10 pupil's transcript.

11 (v) If a pupil was enrolled in a public school academy on the
12 pupil membership count day, if the public school academy's contract
13 with its authorizing body is revoked or the public school academy
14 otherwise ceases to operate, and if the pupil enrolls in a district
15 or the education achievement system within 45 days after the pupil
16 membership count day, the department shall adjust the district's or
17 the education achievement system's pupil count for the pupil
18 membership count day to include the pupil in the count.

19 (w) For a public school academy that has been in operation for
20 at least 2 years and that suspended operations for at least 1
21 semester and is resuming operations, membership is the sum of the
22 product of ~~.90~~.85 times the number of full-time equated pupils in
23 grades K to 12 actually enrolled and in regular daily attendance on
24 the first pupil membership count day or supplemental count day,
25 whichever is first, occurring after operations resume, plus the
26 product of ~~.10~~.15 times the final audited count from the most
27 recent pupil membership count day or supplemental count day that

1 occurred before suspending operations, as determined by the
2 superintendent.

3 (x) If a district's membership for a particular fiscal year,
4 as otherwise calculated under this subsection, would be less than
5 1,550 pupils and the district has 4.5 or fewer pupils per square
6 mile, as determined by the department, and if the district does not
7 receive funding under section 22d(2), the district's membership
8 shall be considered to be the membership figure calculated under
9 this subdivision. If a district educates and counts in its
10 membership pupils in grades 9 to 12 who reside in a contiguous
11 district that does not operate grades 9 to 12 and if 1 or both of
12 the affected districts request the department to use the
13 determination allowed under this sentence, the department shall
14 include the square mileage of both districts in determining the
15 number of pupils per square mile for each of the districts for the
16 purposes of this subdivision. The membership figure calculated
17 under this subdivision is the greater of the following:

18 (i) The average of the district's membership for the 3-fiscal-
19 year period ending with that fiscal year, calculated by adding the
20 district's actual membership for each of those 3 fiscal years, as
21 otherwise calculated under this subsection, and dividing the sum of
22 those 3 membership figures by 3.

23 (ii) The district's actual membership for that fiscal year as
24 otherwise calculated under this subsection.

25 (y) Full-time equated memberships for special education pupils
26 who are not enrolled in kindergarten but are enrolled in a
27 classroom program under R 340.1754 of the Michigan administrative

code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are receiving early childhood special education services under R 340.1755 or R 340.1862 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per-pupil by 180.

(z) A pupil of a district that begins its school year after Labor ~~day~~-**DAY** who is enrolled in an intermediate district program that begins before Labor ~~day~~-**DAY** shall not be considered to be less than a full-time pupil solely due to instructional time scheduled but not attended by the pupil before Labor ~~day~~-**DAY**.

(aa) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. **IF A PUPIL DESCRIBED IN THIS SUBDIVISION WAS COUNTED IN MEMBERSHIP BY THE OPERATING DISTRICT ON THE IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT DAY, THE PUPIL SHALL BE EXCLUDED FROM THE DISTRICT'S IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT FOR THE PURPOSES OF DETERMINING THE DISTRICT'S MEMBERSHIP.**

(bb) A district, a public school academy, or the education achievement system that educates a pupil who attends a United States Olympic ~~education center~~ **EDUCATION CENTER** may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

1 (cc) A pupil enrolled in a district other than the pupil's
2 district of residence pursuant to section 1148(2) of the revised
3 school code, MCL 380.1148, shall be counted in the educating
4 district or the education achievement system.

5 (dd) For a pupil enrolled in a dropout recovery program that
6 meets the requirements of section 23a, the pupil shall be counted
7 as 1/12 of a full-time equated membership for each month that the
8 district operating the program reports that the pupil was enrolled
9 in the program and was in full attendance. However, if the special
10 membership counting provisions under this subdivision and the
11 operation of the other membership counting provisions under this
12 subsection result in a pupil being counted as more than 1.0 FTE in
13 a fiscal year, the payment made for the pupil under sections 22a
14 and 22b shall not be based on more than 1.0 FTE for that pupil, and
15 any portion of an FTE for that pupil that exceeds 1.0 shall instead
16 be paid under section 25f. The district operating the program shall
17 report to the center the number of pupils who were enrolled in the
18 program and were in full attendance for a month not later than the
19 tenth day of the next month. A district shall not report a pupil as
20 being in full attendance for a month unless both of the following
21 are met:

22 (i) A personalized learning plan is in place on or before the
23 first school day of the month for the first month the pupil
24 participates in the program.

25 (ii) The pupil meets the district's definition under section
26 23a of satisfactory monthly progress for that month or, if the
27 pupil does not meet that definition of satisfactory monthly

1 progress for that month, the pupil did meet that definition of
2 satisfactory monthly progress in the immediately preceding month
3 and appropriate interventions are implemented within 10 school days
4 after it is determined that the pupil does not meet that definition
5 of satisfactory monthly progress.

6 (EE) A PUPIL ENROLLED IN AN ONLINE COURSE UNDER SECTION 21F
7 SHALL BE COUNTED IN MEMBERSHIP IN THE PUPIL'S DISTRICT OF
8 RESIDENCE.

9 (FF) IF A PUBLIC SCHOOL ACADEMY THAT IS NOT IN ITS FIRST OR
10 SECOND YEAR OF OPERATION CLOSES AT THE END OF A SCHOOL YEAR AND
11 DOES NOT REOPEN FOR THE NEXT SCHOOL YEAR, THE DEPARTMENT SHALL
12 ADJUST THE MEMBERSHIP COUNT OF THE DISTRICT OR THE EDUCATION
13 ACHIEVEMENT SYSTEM IN WHICH A FORMER PUPIL OF THE PUBLIC SCHOOL
14 ACADEMY ENROLLS AND IS IN REGULAR DAILY ATTENDANCE FOR THE NEXT
15 SCHOOL YEAR TO ENSURE THAT THE DISTRICT OR THE EDUCATION
16 ACHIEVEMENT SYSTEM RECEIVES THE SAME AMOUNT OF MEMBERSHIP AID FOR
17 THE PUPIL AS IF THE PUPIL WERE COUNTED IN THE DISTRICT OR THE
18 EDUCATION ACHIEVEMENT SYSTEM ON THE SUPPLEMENTAL COUNT DAY OF THE
19 PRECEDING SCHOOL YEAR.

20 (5) "Public school academy" means that term as defined in
21 section 5 of the revised school code, MCL 380.5.

22 (6) "Pupil" means a person in membership in a public school. A
23 district must have the approval of the pupil's district of
24 residence to count the pupil in membership, except approval by the
25 pupil's district of residence is not required for any of the
26 following:

27 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in

1 accordance with section 166b.

2 (b) A pupil receiving 1/2 or less of his or her instruction in
3 a district other than the pupil's district of residence.

4 (c) A pupil enrolled in a public school academy or the
5 education achievement system.

6 (d) A pupil enrolled in a district other than the pupil's
7 district of residence under an intermediate district schools of
8 choice pilot program as described in section 91a or former section
9 91 if the intermediate district and its constituent districts have
10 been exempted from section 105.

11 (e) A pupil enrolled in a district other than the pupil's
12 district of residence if the pupil is enrolled in accordance with
13 section 105 or 105c.

14 (f) A pupil who has made an official written complaint or
15 whose parent or legal guardian has made an official written
16 complaint to law enforcement officials and to school officials of
17 the pupil's district of residence that the pupil has been the
18 victim of a criminal sexual assault or other serious assault, if
19 the official complaint either indicates that the assault occurred
20 at school or that the assault was committed by 1 or more other
21 pupils enrolled in the school the pupil would otherwise attend in
22 the district of residence or by an employee of the district of
23 residence. A person who intentionally makes a false report of a
24 crime to law enforcement officials for the purposes of this
25 subdivision is subject to section 411a of the Michigan penal code,
26 1931 PA 328, MCL 750.411a, which provides criminal penalties for
27 that conduct. As used in this subdivision:

1 (i) "At school" means in a classroom, elsewhere on school
2 premises, on a school bus or other school-related vehicle, or at a
3 school-sponsored activity or event whether or not it is held on
4 school premises.

5 (ii) "Serious assault" means an act that constitutes a felony
6 violation of chapter XI of the Michigan penal code, 1931 PA 328,
7 MCL 750.81 to 750.90h, or that constitutes an assault and
8 infliction of serious or aggravated injury under section 81a of the
9 Michigan penal code, 1931 PA 328, MCL 750.81a.

10 (g) A pupil whose district of residence changed after the
11 pupil membership count day and before the supplemental count day
12 and who continues to be enrolled on the supplemental count day as a
13 nonresident in the district in which he or she was enrolled as a
14 resident on the pupil membership count day of the same school year.

15 (h) A pupil enrolled in an alternative education program
16 operated by a district other than his or her district of residence
17 who meets 1 or more of the following:

18 (i) The pupil has been suspended or expelled from his or her
19 district of residence for any reason, including, but not limited
20 to, a suspension or expulsion under section 1310, 1311, or 1311a of
21 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

22 (ii) The pupil had previously dropped out of school.

23 (iii) The pupil is pregnant or is a parent.

24 (iv) The pupil has been referred to the program by a court.

25 (i) A pupil enrolled in the Michigan virtual school, for the
26 pupil's enrollment in the Michigan virtual school.

27 (j) A pupil who is the child of a person who works at the

1 district or who is the child of a person who worked at the district
 2 as of the time the pupil first enrolled in the district but who no
 3 longer works at the district due to a workforce reduction. As used
 4 in this subdivision, "child" includes an adopted child, stepchild,
 5 or legal ward.

6 (k) An expelled pupil who has been denied reinstatement by the
 7 expelling district and is reinstated by another school board under
 8 section 1311 or 1311a of the revised school code, MCL 380.1311 and
 9 380.1311a.

10 (l) A pupil enrolled in a district other than the pupil's
 11 district of residence in a middle college program if the pupil's
 12 district of residence and the enrolling district are both
 13 constituent districts of the same intermediate district.

14 (m) A pupil enrolled in a district other than the pupil's
 15 district of residence who attends a United States Olympic education
 16 center. **EDUCATION CENTER.**

17 (n) A pupil enrolled in a district other than the pupil's
 18 district of residence pursuant to section 1148(2) of the revised
 19 school code, MCL 380.1148.

20 (o) A pupil who enrolls in a district other than the pupil's
 21 district of residence as a result of the pupil's school not making
 22 adequate yearly progress under the no child left behind act of
 23 2001, Public Law 107-110.

24 ~~— (p) An online learning pupil enrolled in a district other than~~
 25 ~~the pupil's district of residence as an eligible pupil under~~
 26 ~~section 21f.~~

27 However, if a district educates pupils who reside in another

1 district and if the primary instructional site for those pupils is
2 established by the educating district after 2009-2010 and is
3 located within the boundaries of that other district, the educating
4 district must have the approval of that other district to count
5 those pupils in membership.

6 (7) "Pupil membership count day" of a district or intermediate
7 district means:

8 (a) Except as provided in subdivision (b), the first Wednesday
9 in October each school year or, for a district or building in which
10 school is not in session on that Wednesday due to conditions not
11 within the control of school authorities, with the approval of the
12 superintendent, the immediately following day on which school is in
13 session in the district or building.

14 (b) For a district or intermediate district maintaining school
15 during the entire school year, the following days:

16 (i) Fourth Wednesday in July.

17 (ii) First Wednesday in October.

18 (iii) Second Wednesday in February.

19 (iv) Fourth Wednesday in April.

20 (8) "Pupils in grades K to 12 actually enrolled and in regular
21 daily attendance" means pupils in grades K to 12 in attendance and
22 receiving instruction in all classes for which they are enrolled on
23 the pupil membership count day or the supplemental count day, as
24 applicable. Except as otherwise provided in this subsection, a
25 pupil who is absent from any of the classes in which the pupil is
26 enrolled on the pupil membership count day or supplemental count
27 day and who does not attend each of those classes during the 10

1 consecutive school days immediately following the pupil membership
2 count day or supplemental count day, except for a pupil who has
3 been excused by the district, shall not be counted as 1.0 full-time
4 equated membership. A pupil who is excused from attendance on the
5 pupil membership count day or supplemental count day and who fails
6 to attend each of the classes in which the pupil is enrolled within
7 30 calendar days after the pupil membership count day or
8 supplemental count day shall not be counted as 1.0 full-time
9 equated membership. In addition, a pupil who was enrolled and in
10 attendance in a district, an intermediate district, a public school
11 academy, or the education achievement system before the pupil
12 membership count day or supplemental count day of a particular year
13 but was expelled or suspended on the pupil membership count day or
14 supplemental count day shall only be counted as 1.0 full-time
15 equated membership if the pupil resumed attendance in the district,
16 intermediate district, public school academy, or education
17 achievement system within 45 days after the pupil membership count
18 day or supplemental count day of that particular year. Pupils not
19 counted as 1.0 full-time equated membership due to an absence from
20 a class shall be counted as a prorated membership for the classes
21 the pupil attended. For purposes of this subsection, "class" means
22 a period of time in 1 day when pupils and a certificated teacher or
23 legally qualified substitute teacher are together and instruction
24 is taking place.

25 (9) "Rule" means a rule promulgated pursuant to the
26 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
27 24.328.

1 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
2 380.1852.

3 (11) "School district of the first class", "first class school
4 district", and "district of the first class" mean, for the purposes
5 of this article only, a district that had at least 40,000 pupils in
6 membership for the immediately preceding fiscal year.

7 (12) "School fiscal year" means a fiscal year that commences
8 July 1 and continues through June 30.

9 (13) "State board" means the state board of education.

10 (14) "Superintendent", unless the context clearly refers to a
11 district or intermediate district superintendent, means the
12 superintendent of public instruction described in section 3 of
13 article VIII of the state constitution of 1963.

14 (15) "Supplemental count day" means the day on which the
15 supplemental pupil count is conducted under section 6a.

16 (16) "Tuition pupil" means a pupil of school age attending
17 school in a district other than the pupil's district of residence
18 for whom tuition may be charged to the district of residence.

19 Tuition pupil does not include a pupil who is a special education
20 pupil, a pupil described in subsection (6)(c) to (p), or a pupil
21 whose parent or guardian voluntarily enrolls the pupil in a
22 district that is not the pupil's district of residence. A pupil's
23 district of residence shall not require a high school tuition
24 pupil, as provided under section 111, to attend another school
25 district after the pupil has been assigned to a school district.

26 (17) "State school aid fund" means the state school aid fund
27 established in section 11 of article IX of the state constitution

1 of 1963.

2 (18) "Taxable value" means the taxable value of property as
3 determined under section 27a of the general property tax act, 1893
4 PA 206, MCL 211.27a.

5 (19) "Textbook" means a book, electronic book, or other
6 instructional print or electronic resource that is selected and
7 approved by the governing board of a district or, for an
8 achievement school, by the chancellor of the achievement authority
9 and that contains a presentation of principles of a subject, or
10 that is a literary work relevant to the study of a subject required
11 for the use of classroom pupils, or another type of course material
12 that forms the basis of classroom instruction.

13 (20) "Total state aid" or "total state school aid" means the
14 total combined amount of all funds due to a district, intermediate
15 district, or other entity under all of the provisions of this
16 article.

17 Sec. 8b. (1) The department shall assign a district code to
18 each public school academy that is authorized under the revised
19 school code and is eligible to receive funding under this article
20 within 30 days after a contract is submitted to the department by
21 the authorizing body of a public school academy.

22 (2) If the department does not assign a district code to a
23 public school academy within the 30-day period described in
24 subsection (1), the district code the department shall use to make
25 payments under this article to the newly authorized public school
26 academy shall be a number that is equivalent to the sum of the last
27 district code assigned to a public school academy located in the

1 same county as the newly authorized public school academy plus 1.
 2 However, if there is not an existing public school academy located
 3 in the same county as the newly authorized public school academy,
 4 then the district code the department shall use to make payments
 5 under this article to the newly authorized public school academy
 6 shall be a 5-digit number that has the county code in which the
 7 public school academy is located as its first 2 digits, 9 as its
 8 third digit, 0 as its fourth digit, and 1 as its fifth digit. If
 9 the number of public school academies in a county grows to exceed
 10 100, the third digit in this 5-digit number shall then be 7 for the
 11 public school academies in excess of 100.

12 (3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AND
 13 IS AUTHORIZED UNDER PART 6E OF THE REVISED SCHOOL CODE, MCL 380.551
 14 TO 380.561, BY A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,
 15 COMMUNITY COLLEGE OTHER THAN A FEDERAL TRIBALLY CONTROLLED
 16 COMMUNITY COLLEGE, OR OTHER AUTHORIZING BODY THAT IS NOT EMPOWERED
 17 TO AUTHORIZE A SCHOOL OF EXCELLENCE TO OPERATE STATEWIDE AND IS
 18 ELIGIBLE TO RECEIVE FUNDING UNDER THIS ARTICLE, THE DEPARTMENT
 19 SHALL ASSIGN A DISTRICT CODE THAT INCLUDES AS THE FIRST 2 DIGITS
 20 THE COUNTY CODE IN WHICH THE AUTHORIZING BODY IS LOCATED.

21 Sec. 11. (1) For the fiscal year ending September 30, 2015,
 22 there is appropriated for the public schools of this state and
 23 certain other state purposes relating to education the sum of
 24 ~~\$11,827,097,400.00~~ \$11,812,947,400.00 from the state school aid
 25 fund, the sum of \$18,000,000.00 from the MPSERS retirement
 26 obligation reform reserve fund created under section 147b, and the
 27 sum of \$33,700,000.00 from the general fund. **FOR THE FISCAL YEAR**

1 ENDING SEPTEMBER 30, 2016, THERE IS APPROPRIATED FOR THE PUBLIC
2 SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO
3 EDUCATION THE SUM OF \$12,151,594,700.00 FROM THE STATE SCHOOL AID
4 FUND AND THE SUM OF \$41,700,000.00 FROM THE GENERAL FUND. In
5 addition, all other available federal funds are appropriated **EACH**
6 **FISCAL YEAR** for the fiscal year—**YEARS** ending September 30, 2015 **AND**
7 **SEPTEMBER 30, 2016.**

8 (2) The appropriations under this section shall be allocated
9 as provided in this article. Money appropriated under this section
10 from the general fund shall be expended to fund the purposes of
11 this article before the expenditure of money appropriated under
12 this section from the state school aid fund.

13 (3) Any general fund allocations under this article that are
14 not expended by the end of the state fiscal year are transferred to
15 the school aid stabilization fund created under section 11a.

16 Sec. 11a. (1) The school aid stabilization fund is created as
17 a separate account within the state school aid fund established by
18 section 11 of article IX of the state constitution of 1963.

19 (2) The state treasurer may receive money or other assets from
20 any source for deposit into the school aid stabilization fund. The
21 state treasurer shall deposit into the school aid stabilization
22 fund all of the following:

23 (a) Unexpended and unencumbered state school aid fund revenue
24 for a fiscal year that remains in the state school aid fund as of
25 the bookclosing for that fiscal year.

26 (b) Money statutorily dedicated to the school aid
27 stabilization fund.

1 (c) Money appropriated to the school aid stabilization fund.

2 (3) Money available in the school aid stabilization fund may
3 not be expended without a specific appropriation from the school
4 aid stabilization fund. Money in the school aid stabilization fund
5 shall be expended only for purposes for which state school aid fund
6 money may be expended.

7 (4) The state treasurer shall direct the investment of the
8 school aid stabilization fund. The state treasurer shall credit to
9 the school aid stabilization fund interest and earnings from fund
10 investments.

11 (5) Money in the school aid stabilization fund at the close of
12 a fiscal year shall remain in the school aid stabilization fund and
13 shall not lapse to the unreserved school aid fund balance or the
14 general fund.

15 (6) If the maximum amount appropriated under section 11 from
16 the state school aid fund for a fiscal year exceeds the amount
17 available for expenditure from the state school aid fund for that
18 fiscal year, there is appropriated from the school aid
19 stabilization fund to the state school aid fund an amount equal to
20 the projected shortfall as determined by the department of
21 treasury, but not to exceed available money in the school aid
22 stabilization fund. If the money in the school aid stabilization
23 fund is insufficient to fully fund an amount equal to the projected
24 shortfall, the state budget director shall notify the legislature
25 as required under section 296(2) and state payments in an amount
26 equal to the remainder of the projected shortfall shall be prorated
27 in the manner provided under section 296(3).

(7) For ~~2014-2015~~, **2015-2016**, in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$126,000,000.00 for 2014-2015~~ **\$143,000,000.00 FOR 2015-2016** for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For ~~2014-2015~~, **2015-2016**, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriation in section 11, there is allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed ~~\$3,000,000.00~~ **\$4,000,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

Sec. 11r. (1) From the appropriation in section 11, there is allocated **FOR 2015-2016** an amount not to exceed ~~\$4,000,000.00~~ **\$8,935,900.00** to be deposited into the distressed districts ~~emergency grant~~ **REHABILITATION** fund created under this section for

the purpose of funding grants under this section. **THESE FUNDS ARE INTENDED TO SUPPORT THE REHABILITATION OF SCHOOL DISTRICTS EXPERIENCING SEVERE ACADEMIC AND FINANCIAL STRESS IN ORDER TO MITIGATE THE IMPACT ON STUDENT LEARNING.**

(2) The distressed districts ~~emergency grant~~ **REHABILITATION** fund is created as a separate account within the state school aid fund. The state treasurer may receive money or other assets from any source for deposit into the distressed districts ~~emergency grant~~ **REHABILITATION** fund. The state treasurer shall direct the investment of the distressed districts ~~emergency grant~~ **REHABILITATION** fund and shall credit to the distressed districts ~~emergency grant~~ **REHABILITATION** fund interest and earnings from the fund.

~~—— (3) Subject to subsection (4), a district is eligible to receive a grant from the distressed districts emergency grant fund if either of the following applies:~~

~~—— (a) The district has adopted a resolution authorizing the voluntary dissolution of the district approved by the state treasurer under section 12 of the revised school code, MCL 380.12, but the dissolution has not yet taken effect under that section.~~

~~—— (b) The district is a receiving district under section 12 of the revised school code, MCL 380.12, and the district enrolls pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, in the immediately preceding school year.~~

~~—— (4) A district receiving funds under section 20g is not eligible to receive funds under this section.~~

~~1 (5) The amount of a grant under this section shall be~~
~~2 determined by the state treasurer after consultation with the~~
~~3 superintendent of public instruction, but shall not exceed the~~
~~4 estimated amount of remaining district costs in excess of available~~
~~5 revenues, including, but not limited to, payroll, benefits,~~
~~6 retirement system contributions, pupil transportation, food~~
~~7 services, special education, building security, and other costs~~
~~8 necessary to allow the district to operate schools directly and~~
~~9 provide public education services until the end of the current~~
~~10 school fiscal year. For a district that meets the eligibility~~
~~11 criteria under subsection (3)(b), the amount of the grant shall be~~
~~12 determined in the same manner as transition costs under section~~
~~13 20g.~~

~~14 (3) (6)~~ Before disbursing funds under this section, the state
~~15 treasurer shall notify the house and senate appropriations~~
~~16 subcommittees on school aid and the house and senate fiscal~~
~~17 agencies. The notification shall include, but not be limited to,~~
~~18 the district receiving funds under this section, the amount of the~~
~~19 funds awarded under this section, an explanation of the district~~
~~20 conditions that necessitate funding under this section, and the~~
~~21 intended use of funds disbursed under this section.~~

~~22 (4) (7)~~ Money in the distressed districts ~~emergency grant~~
~~23 REHABILITATION~~ fund at the close of a fiscal year shall remain in
~~24 the distressed districts emergency grant~~ **REHABILITATION** fund and
~~25 shall not lapse to the state school aid fund or to the general~~
~~26 fund.~~

27 Sec. 15. (1) If a district or intermediate district fails to

1 receive its proper apportionment, the department, upon satisfactory
2 proof that the district or intermediate district was entitled
3 justly, shall apportion the deficiency in the next apportionment.
4 Subject to subsections (2) and (3), if a district or intermediate
5 district has received more than its proper apportionment, the
6 department, upon satisfactory proof, shall deduct the excess in the
7 next apportionment. Notwithstanding any other provision in this
8 article, state aid overpayments to a district, other than
9 overpayments in payments for special education or special education
10 transportation, may be recovered from any payment made under this
11 article other than a special education or special education
12 transportation payment, from the proceeds of a loan to the district
13 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
14 141.942, or from the proceeds of millage levied or pledged under
15 section 1211 of the revised school code, MCL 380.1211. State aid
16 overpayments made in special education or special education
17 transportation payments may be recovered from subsequent special
18 education or special education transportation payments, from the
19 proceeds of a loan to the district under the emergency municipal
20 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
21 of millage levied or pledged under section 1211 of the revised
22 school code, MCL 380.1211.

23 (2) If the result of an audit conducted by or for the
24 department affects the current fiscal year membership, affected
25 payments shall be adjusted in the current fiscal year. A deduction
26 due to an adjustment made as a result of an audit conducted by or
27 for the department, or as a result of information obtained by the

1 department from the district, an intermediate district, the
2 department of treasury, or the office of auditor general, shall be
3 deducted from the district's apportionments when the adjustment is
4 finalized. At the request of the district and upon the district
5 presenting evidence satisfactory to the department of the hardship,
6 the department may grant up to an additional 4 years for the
7 adjustment and may advance payments to the district otherwise
8 authorized under this article if the district would otherwise
9 experience a significant hardship in satisfying its financial
10 obligations.

11 (3) If, based on an audit by the department or the
12 department's designee or because of new or updated information
13 received by the department, the department determines that the
14 amount paid to a district or intermediate district under this
15 article for the current fiscal year or a prior fiscal year was
16 incorrect, the department shall make the appropriate deduction or
17 payment in the district's or intermediate district's allocation in
18 the next apportionment after the adjustment is finalized. The
19 deduction or payment shall be calculated according to the law in
20 effect in the fiscal year in which the incorrect amount was paid.
21 If the district does not receive an allocation for the fiscal year
22 or if the allocation is not sufficient to pay the amount of any
23 deduction, the amount of any deduction otherwise applicable shall
24 be satisfied from the proceeds of a loan to the district under the
25 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
26 or from the proceeds of millage levied or pledged under section
27 1211 of the revised school code, MCL 380.1211, as determined by the

1 department.

2 (4) The department may conduct audits, or may direct audits by
3 designee of the department, for the current fiscal year and the
4 immediately preceding 3 fiscal years of all records related to a
5 program for which a district or intermediate district has received
6 funds under this article.

7 (5) Expenditures made by the department under this article
8 that are caused by the write-off of prior year accruals may be
9 funded by revenue from the write-off of prior year accruals.

10 (6) In addition to funds appropriated in section 11 for all
11 programs and services, there is appropriated for ~~2014-2015-2015-~~
12 **2016** for obligations in excess of applicable appropriations an
13 amount equal to the collection of overpayments, but not to exceed
14 amounts available from overpayments.

15 Sec. 18. (1) Except as provided in another section of this
16 article, each district or other entity shall apply the money
17 received by the district or entity under this article to salaries
18 and other compensation of teachers and other employees, tuition,
19 transportation, lighting, heating, ventilation, water service, the
20 purchase of textbooks, other supplies, and any other school
21 operating expenditures defined in section 7. However, not more than
22 20% of the total amount received by a district under sections 22a
23 and 22b or received by an intermediate district under section 81
24 may be transferred by the board to either the capital projects fund
25 or to the debt retirement fund for debt service. The money shall
26 not be applied or taken for a purpose other than as provided in
27 this section. The department shall determine the reasonableness of

1 expenditures and may withhold from a recipient of funds under this
2 article the apportionment otherwise due upon a violation by the
3 recipient.

4 (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL**
5 **BUDGET IN A MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND**
6 **ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.** Within 15 days
7 after a board adopts its annual operating budget for the following
8 school fiscal year, or after a board adopts a subsequent revision
9 to that budget, the district shall make all of the following
10 available through a link on its website ~~home page,~~ **HOME PAGE**, or may
11 make the information available through a link on its intermediate
12 district's website ~~home page,~~ **HOME PAGE**, in a form and manner
13 prescribed by the department:

14 (a) The annual operating budget and subsequent budget
15 revisions.

16 (b) Using data that have already been collected and submitted
17 to the department, a summary of district expenditures for the most
18 recent fiscal year for which they are available, expressed in the
19 following 2 pie charts:

20 (i) A chart of personnel expenditures, broken into the
21 following subcategories:

22 (A) Salaries and wages.

23 (B) Employee benefit costs, including, but not limited to,
24 medical, dental, vision, life, disability, and long-term care
25 benefits.

26 (C) Retirement benefit costs.

27 (D) All other personnel costs.

1 (ii) A chart of all district expenditures, broken into the
2 following subcategories:

3 (A) Instruction.

4 (B) Support services.

5 (C) Business and administration.

6 (D) Operations and maintenance.

7 (c) Links to all of the following:

8 (i) The current collective bargaining agreement for each
9 bargaining unit.

10 (ii) Each health care benefits plan, including, but not
11 limited to, medical, dental, vision, disability, long-term care, or
12 any other type of benefits that would constitute health care
13 services, offered to any bargaining unit or employee in the
14 district.

15 (iii) The audit report of the audit conducted under subsection
16 (4) for the most recent fiscal year for which it is available.

17 (iv) The bids required under section 5 of the public employee
18 health benefits act, 2007 PA 106, MCL 124.75.

19 (v) The district's written policy governing procurement of
20 supplies, materials, and equipment.

21 (vi) The district's written policy establishing specific
22 categories of reimbursable expenses, as described in section
23 1254(2) of the revised school code, MCL 380.1254.

24 (vii) Either the district's accounts payable check register
25 for the most recent school fiscal year or a statement of the total
26 amount of expenses incurred by board members or employees of the
27 district that were reimbursed by the district for the most recent

1 school fiscal year.

2 (d) The total salary and a description and cost of each fringe
3 benefit included in the compensation package for the superintendent
4 of the district and for each employee of the district whose salary
5 exceeds \$100,000.00.

6 (e) The annual amount spent on dues paid to associations.

7 (f) The annual amount spent on lobbying or lobbying services.
8 As used in this subdivision, "lobbying" means that term as defined
9 in section 5 of 1978 PA 472, MCL 4.415.

10 (g) Any deficit elimination plan or enhanced deficit
11 elimination plan the district was required to submit under this
12 article.

13 (h) Identification of all credit cards maintained by the
14 district as district credit cards, the identity of all individuals
15 authorized to use each of those credit cards, the credit limit on
16 each credit card, and the dollar limit, if any, for each
17 individual's authorized use of the credit card.

18 (i) Costs incurred for each instance of out-of-state travel by
19 the school administrator of the district that is fully or partially
20 paid for by the district and the details of each of those instances
21 of out-of-state travel, including at least identification of each
22 individual on the trip, destination, and purpose.

23 (3) For the information required under subsection (2)(a),
24 (2)(b)(i), and (2)(c), an intermediate district shall provide the
25 same information in the same manner as required for a district
26 under subsection (2).

27 (4) For the purposes of determining the reasonableness of

1 expenditures, whether a district or intermediate district has
2 received the proper amount of funds under this article, and whether
3 a violation of this article has occurred, all of the following
4 apply:

5 (a) The department shall require that each district and
6 intermediate district have an audit of the district's or
7 intermediate district's financial and pupil accounting records
8 conducted at least annually, and at such other times as determined
9 by the department, at the expense of the district or intermediate
10 district, as applicable. The audits must be performed by a
11 certified public accountant or by the intermediate district
12 superintendent, as may be required by the department, or in the
13 case of a district of the first class by a certified public
14 accountant, the intermediate superintendent, or the auditor general
15 of the city. A district or intermediate district shall retain these
16 records for the current fiscal year and from at least the 3
17 immediately preceding fiscal years.

18 (b) If a district operates in a single building with fewer
19 than 700 full-time equated pupils, if the district has stable
20 membership, and if the error rate of the immediately preceding 2
21 pupil accounting field audits of the district is less than 2%, the
22 district may have a pupil accounting field audit conducted
23 biennially but must continue to have desk audits for each pupil
24 count. The auditor must document compliance with the audit cycle in
25 the pupil auditing manual. As used in this subdivision, "stable
26 membership" means that the district's membership for the current
27 fiscal year varies from the district's membership for the

1 immediately preceding fiscal year by less than 5%.

2 (c) A district's or intermediate district's annual financial
3 audit shall include an analysis of the financial and pupil
4 accounting data used as the basis for distribution of state school
5 aid.

6 (d) The pupil and financial accounting records and reports,
7 audits, and management letters are subject to requirements
8 established in the auditing and accounting manuals approved and
9 published by the department.

10 (e) All of the following shall be done not later than ~~November~~
11 ~~15, 2014 for reporting 2013-2014 data during 2014-2015, and not~~
12 ~~later than November 1~~ **EACH YEAR** for reporting the prior fiscal year
13 data: ~~for all subsequent fiscal years.~~

14 (i) A district shall file the annual financial audit reports
15 with the intermediate district and the department.

16 (ii) The intermediate district shall file the annual financial
17 audit reports for the intermediate district with the department.

18 (iii) The intermediate district shall enter the pupil
19 membership audit reports for its constituent districts and for the
20 intermediate district, for the pupil membership count day and
21 supplemental count day, in the Michigan student data system.

22 (f) The annual financial audit reports and pupil accounting
23 procedures reports shall be available to the public in compliance
24 with the freedom of information act, 1976 PA 442, MCL 15.231 to
25 15.246.

26 (g) Not later than January 31 of each year, the department
27 shall notify the state budget director and the legislative

1 appropriations subcommittees responsible for review of the school
2 aid budget of districts and intermediate districts that have not
3 filed an annual financial audit and pupil accounting procedures
4 report required under this section for the school year ending in
5 the immediately preceding fiscal year.

6 (5) By ~~November 15, 2014 for 2014-2015 and by November 1 for~~
7 ~~all subsequent fiscal years, EACH YEAR,~~ each district and
8 intermediate district shall submit to the center, in a manner
9 prescribed by the center, annual comprehensive financial data
10 consistent with accounting manuals and charts of accounts approved
11 and published by the department. For an intermediate district, the
12 report shall also contain the website address where the department
13 can access the report required under section 620 of the revised
14 school code, MCL 380.620. The department shall ensure that the
15 prescribed Michigan public school accounting manual chart of
16 accounts includes standard conventions to distinguish expenditures
17 by allowable fund function and object. The functions shall include
18 at minimum categories for instruction, pupil support, instructional
19 staff support, general administration, school administration,
20 business administration, transportation, facilities operation and
21 maintenance, facilities acquisition, and debt service; and shall
22 include object classifications of salary, benefits, including
23 categories for active employee health expenditures, purchased
24 services, supplies, capital outlay, and other. Districts shall
25 report the required level of detail consistent with the manual as
26 part of the comprehensive annual financial report.

27 (6) By September 30 of each year, each district and

1 intermediate district shall file with the department the special
2 education actual cost report, known as "SE-4096", on a form and in
3 the manner prescribed by the department.

4 (7) By October 7 of each year, each district and intermediate
5 district shall file with the center the transportation expenditure
6 report, known as "SE-4094", on a form and in the manner prescribed
7 by the center.

8 (8) The department shall review its pupil accounting and pupil
9 auditing manuals at least annually and shall periodically update
10 those manuals to reflect changes in this article.

11 (9) If a district that is a public school academy purchases
12 property using money received under this article, the public school
13 academy shall retain ownership of the property unless the public
14 school academy sells the property at fair market value.

15 (10) If a district or intermediate district does not comply
16 with subsections (4), (5), (6), and (7), the department shall
17 withhold all state school aid due to the district or intermediate
18 district under this article, beginning with the next payment due to
19 the district or intermediate district, until the district or
20 intermediate district complies with subsections (4), (5), (6), and
21 (7). ~~However, the department shall not withhold the payment due on~~
22 ~~October 20 due to the operation of this subsection.~~ If the district
23 or intermediate district does not comply with subsections (4), (5),
24 (6), and (7) by the end of the fiscal year, the district or
25 intermediate district forfeits the amount withheld.

26 (11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY
27 WITH SUBSECTION (2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE

1 STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT OR INTERMEDIATE
2 DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO
3 THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR
4 INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT
5 OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE
6 END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT
7 FORFEITS THE AMOUNT WITHHELD.

8 (12) ~~(11)~~ Not later than November 1, ~~2014~~, **2015**, if a district
9 or intermediate district offers online learning under section 21f,
10 the district or intermediate district shall submit to the
11 department a report that details the per-pupil costs of operating
12 the online learning by vendor type. The report shall include at
13 least all of the following information concerning the operation of
14 online learning for the school fiscal year ending June 30,
15 ~~2014+2015~~:

16 (a) The name of the district operating the online learning and
17 of each district that enrolled students in the online learning.

18 (b) The total number of students enrolled in the online
19 learning and the total number of membership pupils enrolled in the
20 online learning.

21 (c) For each pupil who is enrolled in a district other than
22 the district offering online learning, the name of that district.

23 (d) The district in which the pupil was enrolled before
24 enrolling in the district offering online learning.

25 (e) The number of participating students who had previously
26 dropped out of school.

27 (f) The number of participating students who had previously

1 been expelled from school.

2 (g) The total cost to enroll a student in the program. This
3 cost shall be reported on a per-pupil, per-course, per-semester or
4 trimester basis by vendor type. The total shall include costs
5 broken down by cost for content development, content licensing,
6 training, online instruction and instructional support, personnel,
7 hardware and software, payment to each online learning provider,
8 and other costs associated with operating online learning.

9 (h) The name of each online education provider contracted by
10 the district and the state in which each online education provider
11 is headquartered.

12 (13) ~~(12)~~ Not later than March 31, 2015, ~~2016~~, the department
13 shall submit to the house and senate appropriations subcommittees
14 on state school aid, the state budget director, and the house and
15 senate fiscal agencies a report summarizing the per pupil costs by
16 vendor type of online courses available under section 21f.

17 (14) ~~(13)~~ As used in subsections ~~(11)~~ and ~~(12)~~, **(12) AND (13)**,
18 "vendor type" means the following:

19 (a) Online courses provided by the Michigan virtual
20 university.

21 (b) Online courses provided by a school of excellence that is
22 a cyber school, as defined in section 551 of the revised school
23 code, MCL 380.551.

24 (c) Online courses provided by third party vendors not
25 affiliated with a Michigan public school.

26 (d) Online courses created and offered by a district or
27 intermediate district.

1 Sec. 18a. Grant funds awarded and allotted to a district,
2 intermediate district, or other entity, unless otherwise specified
3 in this ~~act~~, **ARTICLE**, shall be expended by the grant recipient
4 before the end of the ~~school~~-fiscal year immediately following the
5 fiscal year in which the funds are received. If a grant recipient
6 does not expend the funds received under this ~~act~~ **ARTICLE** before
7 the end of the fiscal year in which the funds are received, the
8 grant recipient shall submit a report to the department not later
9 than November 1 after the fiscal year in which the funds are
10 received indicating whether it expects to expend those funds during
11 the fiscal year in which the report is submitted. A recipient of a
12 grant shall return any unexpended grant funds to the department in
13 the manner prescribed by the department not later than September 30
14 after the fiscal year in which the funds are received.

15 Sec. 20. (1) For ~~2014-2015~~, **2015-2016**, both of the following
16 apply:

17 (a) The basic foundation allowance is ~~\$8,099.00~~. **\$8,149.00**.

18 (b) The minimum foundation allowance is ~~\$7,126.00~~. **\$7,351.00**.

19 (2) The amount of each district's foundation allowance shall
20 be calculated as provided in this section, using a basic foundation
21 allowance in the amount specified in subsection (1).

22 (3) Except as otherwise provided in this section, the amount
23 of a district's foundation allowance shall be calculated as
24 follows, using in all calculations the total amount of the
25 district's foundation allowance as calculated before any proration:

26 (a) Except as otherwise provided in this subdivision, for a
27 district that had a foundation allowance for the immediately

1 preceding state fiscal year that was equal to the minimum
2 foundation allowance for the immediately preceding state fiscal
3 year, but less than the basic foundation allowance for the
4 immediately preceding state fiscal year, the district shall receive
5 a foundation allowance in an amount equal to the sum of the
6 district's foundation allowance for the immediately preceding state
7 fiscal year plus the difference between twice the dollar amount of
8 the adjustment from the immediately preceding state fiscal year to
9 the current state fiscal year made in the basic foundation
10 allowance and [(the difference between the basic foundation
11 allowance for the current state fiscal year and basic foundation
12 allowance for the immediately preceding state fiscal year minus
13 ~~\$10.00~~-\$15.00) times (the difference between the district's
14 foundation allowance for the immediately preceding state fiscal
15 year and the minimum foundation allowance for the immediately
16 preceding state fiscal year) divided by the difference between the
17 basic foundation allowance for the current state fiscal year and
18 the minimum foundation allowance for the immediately preceding
19 state fiscal year]. However, the foundation allowance for a
20 district that had less than the basic foundation allowance for the
21 immediately preceding state fiscal year shall not exceed the basic
22 foundation allowance for the current state fiscal year. For the
23 purposes of this subdivision, for ~~2014-2015~~, **2015-2016**, the minimum
24 foundation allowance for the immediately preceding state fiscal
25 year shall be considered to be ~~\$7,076.00~~. ~~For 2014-2015, for a~~
26 ~~district that had a foundation allowance for the immediately~~
27 ~~preceding state fiscal year that was at least equal to the minimum~~

~~foundation allowance for the immediately preceding state fiscal year but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the district's foundation allowance for 2013-2014 plus \$50.00.~~ **\$7,251.00.**

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance for ~~2014-2015-2016~~ **2015-2016** in an amount equal to the basic foundation allowance for ~~2014-2015.~~ **2015-2016.**

(c) For a district that had a foundation allowance for the immediately preceding state fiscal year that was greater than the basic foundation allowance for the immediately preceding state fiscal year, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(d) For a district that has a foundation allowance that is not

1 a whole dollar amount, the district's foundation allowance shall be
2 rounded up to the nearest whole dollar.

3 (e) For a district that received a payment under section 22c
4 as that section was in effect for ~~2013-2014~~, ~~2014-2015~~, the
5 district's ~~2013-2014-2014-2015~~ foundation allowance shall be
6 considered to have been an amount equal to the sum of the
7 district's actual ~~2013-2014-2014-2015~~ foundation allowance as
8 otherwise calculated under this section plus the per-pupil amount
9 of the district's equity payment for ~~2013-2014-2014-2015~~ under
10 section 22c as that section was in effect for ~~2013-2014-2014-2015~~.

11 (4) Except as otherwise provided in this subsection, the state
12 portion of a district's foundation allowance is an amount equal to
13 the district's foundation allowance or the basic foundation
14 allowance for the current state fiscal year, whichever is less,
15 minus the local portion of the district's foundation allowance
16 divided by the district's membership excluding special education
17 pupils. For a district described in subsection (3)(c), the state
18 portion of the district's foundation allowance is an amount equal
19 to \$6,962.00 plus the difference between the district's foundation
20 allowance for the current state fiscal year and the district's
21 foundation allowance for 1998-99, minus the local portion of the
22 district's foundation allowance divided by the district's
23 membership excluding special education pupils. For a district that
24 has a millage reduction required under section 31 of article IX of
25 the state constitution of 1963, the state portion of the district's
26 foundation allowance shall be calculated as if that reduction did
27 not occur. For a receiving district, if school operating taxes

1 continue to be levied on behalf of a dissolved district that has
2 been attached in whole or in part to the receiving district to
3 satisfy debt obligations of the dissolved district under section 12
4 of the revised school code, MCL 380.12, the taxable value per
5 membership pupil of property in the receiving district used for the
6 purposes of this subsection does not include the taxable value of
7 property within the geographic area of the dissolved district.

8 (5) The allocation calculated under this section for a pupil
9 shall be based on the foundation allowance of the pupil's district
10 of residence. For a pupil enrolled pursuant to section 105 or 105c
11 in a district other than the pupil's district of residence, the
12 allocation calculated under this section shall be based on the
13 lesser of the foundation allowance of the pupil's district of
14 residence or the foundation allowance of the educating district.
15 For a pupil in membership in a K-5, K-6, or K-8 district who is
16 enrolled in another district in a grade not offered by the pupil's
17 district of residence, the allocation calculated under this section
18 shall be based on the foundation allowance of the educating
19 district if the educating district's foundation allowance is
20 greater than the foundation allowance of the pupil's district of
21 residence.

22 (6) Except as otherwise provided in this subsection, for
23 pupils in membership, other than special education pupils, in a
24 public school academy, the allocation calculated under this section
25 is an amount per membership pupil other than special education
26 pupils in the public school academy equal to the foundation
27 allowance of the district in which the public school academy is

1 located or the state maximum public school academy allocation,
2 whichever is less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL**
3 **EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL**
4 **AND IS AUTHORIZED BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED**
5 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN**
6 **SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY EQUAL TO THE**
7 **FOUNDATION ALLOWANCE OF THE DISTRICT THAT AUTHORIZED THE PUBLIC**
8 **SCHOOL ACADEMY OR THE STATE MAXIMUM PUBLIC SCHOOL ACADEMY**
9 **ALLOCATION, WHICHEVER IS LESS.** However, a public school academy
10 that had an allocation under this subsection before 2009-2010 that
11 was equal to the sum of the local school operating revenue per
12 membership pupil other than special education pupils for the
13 district in which the public school academy is located and the
14 state portion of that district's foundation allowance shall not
15 have that allocation reduced as a result of the 2010 amendment to
16 this subsection. Notwithstanding section 101, for a public school
17 academy that begins operations after the pupil membership count
18 day, the amount per membership pupil calculated under this
19 subsection shall be adjusted by multiplying that amount per
20 membership pupil by the number of hours of pupil instruction
21 provided by the public school academy after it begins operations,
22 as determined by the department, divided by the minimum number of
23 hours of pupil instruction required under section 101(3). The
24 result of this calculation shall not exceed the amount per
25 membership pupil otherwise calculated under this subsection.

26 (7) Except as otherwise provided in this subsection, for
27 pupils attending an achievement school and in membership in the

1 education achievement system, other than special education pupils,
2 the allocation calculated under this section is an amount per
3 membership pupil other than special education pupils equal to the
4 foundation allowance of the district in which the achievement
5 school is located, not to exceed the basic foundation allowance.
6 Notwithstanding section 101, for an achievement school that begins
7 operation after the pupil membership count day, the amount per
8 membership pupil calculated under this subsection shall be adjusted
9 by multiplying that amount per membership pupil by the number of
10 hours of pupil instruction provided by the achievement school after
11 it begins operations, as determined by the department, divided by
12 the minimum number of hours of pupil instruction required under
13 section 101(3). The result of this calculation shall not exceed the
14 amount per membership pupil otherwise calculated under this
15 subsection. For the purposes of this subsection, if a public school
16 is transferred from a district to the state school reform/redesign
17 district or the achievement authority under section 1280c of the
18 revised school code, MCL 380.1280c, that public school is
19 considered to be an achievement school within the education
20 achievement system and not a school that is part of a district, and
21 a pupil attending that public school is considered to be in
22 membership in the education achievement system and not in
23 membership in the district that operated the school before the
24 transfer.

25 (8) Subject to subsection (4), for a district that is formed
26 or reconfigured after June 1, 2002 by consolidation of 2 or more
27 districts or by annexation, the resulting district's foundation

1 allowance under this section beginning after the effective date of
2 the consolidation or annexation shall be the lesser of the sum of
3 the average of the foundation allowances of each of the original or
4 affected districts, calculated as provided in this section,
5 weighted as to the percentage of pupils in total membership in the
6 resulting district who reside in the geographic area of each of the
7 original or affected districts plus \$100.00 or the highest
8 foundation allowance among the original or affected districts. **IN**
9 **ADDITION, FOR THE NEXT 2 FISCAL YEARS THAT BEGIN AFTER A**
10 **CONSOLIDATION OR ANNEXATION UNDER THIS SECTION, THE RESULTING**
11 **DISTRICT'S FOUNDATION ALLOWANCE SHALL BE ITS FOUNDATION ALLOWANCE**
12 **AS OTHERWISE CALCULATED UNDER THIS SUBSECTION PLUS \$200.00.** This
13 subsection does not apply to a receiving district unless there is a
14 subsequent consolidation or annexation that affects the district.

15 (9) Each fraction used in making calculations under this
16 section shall be rounded to the fourth decimal place and the dollar
17 amount of an increase in the basic foundation allowance shall be
18 rounded to the nearest whole dollar.

19 (10) State payments related to payment of the foundation
20 allowance for a special education pupil are not calculated under
21 this section but are instead calculated under section 51a.

22 (11) To assist the legislature in determining the basic
23 foundation allowance for the subsequent state fiscal year, each
24 revenue estimating conference conducted under section 367b of the
25 management and budget act, 1984 PA 431, MCL 18.1367b, shall
26 calculate a pupil membership factor, a revenue adjustment factor,
27 and an index as follows:

1 (a) The pupil membership factor shall be computed by dividing
2 the estimated membership in the school year ending in the current
3 state fiscal year, excluding intermediate district membership, by
4 the estimated membership for the school year ending in the
5 subsequent state fiscal year, excluding intermediate district
6 membership. If a consensus membership factor is not determined at
7 the revenue estimating conference, the principals of the revenue
8 estimating conference shall report their estimates to the house and
9 senate subcommittees responsible for school aid appropriations not
10 later than 7 days after the conclusion of the revenue conference.

11 (b) The revenue adjustment factor shall be computed by
12 dividing the sum of the estimated total state school aid fund
13 revenue for the subsequent state fiscal year plus the estimated
14 total state school aid fund revenue for the current state fiscal
15 year, adjusted for any change in the rate or base of a tax the
16 proceeds of which are deposited in that fund and excluding money
17 transferred into that fund from the countercyclical budget and
18 economic stabilization fund under the management and budget act,
19 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
20 total school aid fund revenue for the current state fiscal year
21 plus the estimated total state school aid fund revenue for the
22 immediately preceding state fiscal year, adjusted for any change in
23 the rate or base of a tax the proceeds of which are deposited in
24 that fund. If a consensus revenue factor is not determined at the
25 revenue estimating conference, the principals of the revenue
26 estimating conference shall report their estimates to the house and
27 senate subcommittees responsible for school aid appropriations not

1 later than 7 days after the conclusion of the revenue conference.

2 (c) The index shall be calculated by multiplying the pupil
3 membership factor by the revenue adjustment factor. If a consensus
4 index is not determined at the revenue estimating conference, the
5 principals of the revenue estimating conference shall report their
6 estimates to the house and senate subcommittees responsible for
7 school aid appropriations not later than 7 days after the
8 conclusion of the revenue conference.

9 (12) Payments to districts, public school academies, or the
10 education achievement system shall not be made under this section.
11 Rather, the calculations under this section shall be used to
12 determine the amount of state payments under section 22b.

13 (13) If an amendment to section 2 of article VIII of the state
14 constitution of 1963 allowing state aid to some or all nonpublic
15 schools is approved by the voters of this state, each foundation
16 allowance or per-pupil payment calculation under this section may
17 be reduced.

18 (14) As used in this section:

19 (a) "Certified mills" means the lesser of 18 mills or the
20 number of mills of school operating taxes levied by the district in
21 1993-94.

22 (b) "Combined state and local revenue" means the aggregate of
23 the district's state school aid received by or paid on behalf of
24 the district under this section and the district's local school
25 operating revenue.

26 (c) "Combined state and local revenue per membership pupil"
27 means the district's combined state and local revenue divided by

1 the district's membership excluding special education pupils.

2 (d) "Current state fiscal year" means the state fiscal year
3 for which a particular calculation is made.

4 (e) "Dissolved district" means a district that loses its
5 organization, has its territory attached to 1 or more other
6 districts, and is dissolved as provided under section 12 of the
7 revised school code, MCL 380.12.

8 (f) "Immediately preceding state fiscal year" means the state
9 fiscal year immediately preceding the current state fiscal year.

10 (g) "Local portion of the district's foundation allowance"
11 means an amount that is equal to the difference between (the sum of
12 the product of the taxable value per membership pupil of all
13 property in the district that is nonexempt property times the
14 district's certified mills and, for a district with certified mills
15 exceeding 12, the product of the taxable value per membership pupil
16 of property in the district that is commercial personal property
17 times the certified mills minus 12 mills) and (the quotient of the
18 product of the captured assessed valuation under tax increment
19 financing acts times the district's certified mills divided by the
20 district's membership excluding special education pupils).

21 (h) "Local school operating revenue" means school operating
22 taxes levied under section 1211 of the revised school code, MCL
23 380.1211. For a receiving district, if school operating taxes are
24 to be levied on behalf of a dissolved district that has been
25 attached in whole or in part to the receiving district to satisfy
26 debt obligations of the dissolved district under section 12 of the
27 revised school code, MCL 380.12, local school operating revenue

1 does not include school operating taxes levied within the
2 geographic area of the dissolved district.

3 (i) "Local school operating revenue per membership pupil"
4 means a district's local school operating revenue divided by the
5 district's membership excluding special education pupils.

6 (j) "Maximum public school academy allocation", except as
7 otherwise provided in this subdivision, means the maximum per-pupil
8 allocation as calculated by adding the highest per-pupil allocation
9 among all public school academies for the immediately preceding
10 state fiscal year plus the difference between twice the amount of
11 the difference between the basic foundation allowance for the
12 current state fiscal year and the basic foundation for the
13 immediately preceding state fiscal year and [(the amount of the
14 difference between the basic foundation allowance for the current
15 state fiscal year and the basic foundation for the immediately
16 preceding state fiscal year minus ~~\$10.00~~-\$15.00) times (the
17 difference between the highest per-pupil allocation among all
18 public school academies for the immediately preceding state fiscal
19 year and the minimum foundation allowance for the immediately
20 preceding state fiscal year) divided by the difference between the
21 basic foundation allowance for the current state fiscal year and
22 the minimum foundation allowance for the immediately preceding
23 state fiscal year]. For the purposes of this subdivision, ~~for 2014-~~
24 ~~2015, the minimum foundation allowance for the immediately~~
25 ~~preceding state fiscal year shall be considered to be \$7,076.00.~~
26 ~~For 2014-2015, FOR 2015-2016,~~ the maximum public school academy
27 allocation is ~~\$7,218.00.~~**\$7,351.00.**

1 (k) "Membership" means the definition of that term under
2 section 6 as in effect for the particular fiscal year for which a
3 particular calculation is made.

4 (l) "Nonexempt property" means property that is not a
5 principal residence, qualified agricultural property, qualified
6 forest property, supportive housing property, industrial personal
7 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
8 **A PUBLIC SCHOOL ACADEMY.**

9 (m) "Principal residence", "qualified agricultural property",
10 "qualified forest property", "supportive housing property",
11 "industrial personal property", and "commercial personal property"
12 mean those terms as defined in section 1211 of the revised school
13 code, MCL 380.1211.

14 (n) "Receiving district" means a district to which all or part
15 of the territory of a dissolved district is attached under section
16 12 of the revised school code, MCL 380.12.

17 (o) "School operating purposes" means the purposes included in
18 the operation costs of the district as prescribed in sections 7 and
19 18 and purposes authorized under section 1211 of the revised school
20 code, MCL 380.1211.

21 (p) "School operating taxes" means local ad valorem property
22 taxes levied under section 1211 of the revised school code, MCL
23 380.1211, and retained for school operating purposes.

24 (q) "Tax increment financing acts" means 1975 PA 197, MCL
25 125.1651 to 125.1681, the tax increment finance authority act, 1980
26 PA 450, MCL 125.1801 to 125.1830, the local development financing
27 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield

1 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
2 or the corridor improvement authority act, 2005 PA 280, MCL
3 125.2871 to 125.2899.

4 (r) "Taxable value per membership pupil" means taxable value,
5 as certified by the county treasurer and reported to the
6 department, for the calendar year ending in the current state
7 fiscal year divided by the district's membership excluding special
8 education pupils for the school year ending in the current state
9 fiscal year.

10 Sec. 20d. In making the final determination required under
11 former section 20a of a district's combined state and local revenue
12 per membership pupil in 1993-94 and in making calculations under
13 section 20 for ~~2014-2015~~, **2015-2016**, the department and the
14 department of treasury shall comply with all of the following:

15 (a) For a district that had combined state and local revenue
16 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
17 or more and served as a fiscal agent for a state board designated
18 area vocational education center in the 1993-94 school year, total
19 state school aid received by or paid on behalf of the district
20 pursuant to this act in 1993-94 shall exclude payments made under
21 former section 146 and under section 147 on behalf of the
22 district's employees who provided direct services to the area
23 vocational education center. Not later than June 30, 1996, the
24 department shall make an adjustment under this subdivision to the
25 district's combined state and local revenue per membership pupil in
26 the 1994-95 state fiscal year and the department of treasury shall
27 make a final certification of the number of mills that may be

1 levied by the district under section 1211 of the revised school
2 code, MCL 380.1211, as a result of the adjustment under this
3 subdivision.

4 (b) If a district had an adjustment made to its 1993-94 total
5 state school aid that excluded payments made under former section
6 146 and under section 147 on behalf of the district's employees who
7 provided direct services for intermediate district center programs
8 operated by the district under article 5, if nonresident pupils
9 attending the center programs were included in the district's
10 membership for purposes of calculating the combined state and local
11 revenue per membership pupil for 1993-94, and if there is a signed
12 agreement by all constituent districts of the intermediate district
13 that an adjustment under this subdivision shall be made, the
14 foundation allowances for 1995-96 and 1996-97 of all districts that
15 had pupils attending the intermediate district center program
16 operated by the district that had the adjustment shall be
17 calculated as if their combined state and local revenue per
18 membership pupil for 1993-94 included resident pupils attending the
19 center program and excluded nonresident pupils attending the center
20 program.

21 Sec. 20f. (1) From the funds appropriated in section 11, there
22 is allocated an amount not to exceed ~~\$6,000,000.00 for 2014-2015~~
23 **\$12,400,000.00 FOR 2015-2016** for payments to eligible districts
24 under this section.

25 **(2) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
26 **UNDER SUBSECTION (1).** A district is eligible for funding under this
27 ~~section~~**SUBSECTION** if the district received a payment under this

1 section as it was in effect for 2013-2014. A district was eligible
2 for funding in 2013-2014 if the sum of the following was less than
3 \$5.00:

4 (a) The increase in the district's foundation allowance or
5 per-pupil payment as calculated under section 20 from 2012-2013 to
6 2013-2014.

7 (b) The district's equity payment per membership pupil under
8 section 22c for 2013-2014.

9 (c) The quotient of the district's allocation under section
10 147a for 2012-2013 divided by the district's membership pupils for
11 2012-2013 minus the quotient of the district's allocation under
12 section 147a for 2013-2014 divided by the district's membership
13 pupils for 2013-2014.

14 (3) ~~(2)~~—The amount allocated to each eligible district under
15 ~~this section~~ **SUBSECTION (2)** is an amount per membership pupil equal
16 to the amount per membership pupil the district received **UNDER THIS**
17 **SECTION** in 2013-2014.

18 (4) **THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
19 **UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS**
20 **SUBSECTION FOR 2015-2016 IF THE SUM OF THE FOLLOWING IS LESS THAN**
21 **\$0.00:**

22 (A) **THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**
23 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**
24 **2015-2016.**

25 (B) **THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL**
26 **FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE**
27 **DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-**

1 2015 AND 2015-2016.

2 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL
3 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

4 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
5 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
6 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
7 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP
8 PUPILS FOR 2014-2015.

9 (5) THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER
10 SUBSECTION (4) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$0.00
11 MINUS THE SUM OF THE FOLLOWING:

12 (A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR
13 PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO
14 2015-2016.

15 (B) THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL
16 FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE
17 DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-
18 2015 AND 2015-2016.

19 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL
20 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

21 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
22 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
23 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
24 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP
25 PUPILS FOR 2014-2015.

26 (6) ~~(3)~~ If the allocation under subsection (1) is insufficient
27 to fully fund payments UNDER SUBSECTIONS (3) AND (5) as otherwise

1 calculated under this section, the department shall prorate
2 payments under this section on an equal per-pupil basis.

3 Sec. 20g. (1) From the money appropriated under section 11,
4 there is allocated an amount not to exceed \$2,200,000.00 for ~~2014-~~
5 ~~2015-~~2015-2016 for grants to eligible districts that first received
6 payments under this section in 2013-2014 for transition costs
7 related to the enrollment of pupils who were previously enrolled in
8 a district that was dissolved under section 12 of the revised
9 school code, MCL 380.12, allocated as provided under subsection
10 (3). Payments under this section shall continue for a total of 4
11 fiscal years following the dissolution of a district, after which
12 the payments shall cease.

13 (2) A receiving school district, as that term is defined in
14 section 12 of the revised school code, MCL 380.12, is an eligible
15 district under this section.

16 (3) The amount allocated to each eligible district under This
17 section is an amount equal to the product of the number of
18 membership pupils enrolled in the eligible district who were
19 previously enrolled in the dissolved school district in the school
20 year immediately preceding the dissolution, or who reside in the
21 geographic area of the dissolved school district and are entering
22 kindergarten, times 10.0% of the lesser of the foundation allowance
23 of the eligible district as calculated under section 20 or the
24 basic foundation allowance under section 20(1).

25 (4) As used in this section, "dissolved school district" means
26 a school district that has been declared dissolved under section 12
27 of the revised school code, 1976 PA 451, MCL 380.12.

1 Sec. 21f. (1) A pupil enrolled in a district in any of grades
2 6 to 12 is eligible to enroll in an online course as provided for
3 in this section.

4 (2) With the consent of the pupil's parent or legal guardian,
5 a district shall enroll an eligible pupil in up to 2 online courses
6 as requested by the pupil during an academic term, semester, or
7 trimester. Unless the pupil is newly enrolled in the **PUPIL'S**
8 **PRIMARY** district, the request for online course enrollment must be
9 made in the academic term, semester, trimester, or summer preceding
10 the enrollment. A district may not establish additional
11 requirements that would prohibit a pupil from taking an online
12 course. If a pupil has demonstrated previous success with online
13 courses and the school leadership and the pupil's parent or legal
14 guardian determine that it is in the best interest of the pupil, a
15 pupil may be enrolled in more than 2 online courses in a specific
16 academic term, semester, or trimester. Consent of the pupil's
17 parent or legal guardian is not required if the pupil is at least
18 age 18 or is an emancipated minor.

19 (3) An eligible pupil may enroll in an online course published
20 in the pupil's ~~educating~~ **PRIMARY** district's catalog of online
21 courses described in subsection (7)(a) or the statewide catalog of
22 online courses maintained by the Michigan ~~virtual university~~
23 **VIRTUAL UNIVERSITY** pursuant to section 98.

24 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine
25 whether or not it has capacity to accept applications for
26 enrollment from nonresident applicants in online courses and may
27 use that limit as the reason for refusal to enroll an applicant. If

1 the number of nonresident applicants eligible for acceptance in an
2 online course does not exceed the capacity of the **PROVIDING**
3 district **OR COMMUNITY COLLEGE** to provide the online course, the
4 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment
5 all of the nonresident applicants eligible for acceptance. If the
6 number of nonresident applicants exceeds the **PROVIDING** district's
7 **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the
8 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw
9 system, subject to the need to abide by state and federal
10 antidiscrimination laws and court orders.

11 (5) A **PUPIL'S PRIMARY** district may deny a ~~THE~~ pupil enrollment
12 in an online course if any of the following apply, as determined by
13 the district:

14 (a) The pupil has previously gained the credits provided from
15 the completion of the online course.

16 (b) The online course is not capable of generating academic
17 credit.

18 (c) The online course is inconsistent with the remaining
19 graduation requirements or career interests of the pupil.

20 (d) The pupil does not possess the prerequisite knowledge and
21 skills to be successful in the online course or has demonstrated
22 failure in previous online coursework in the same subject.

23 (e) The online course is of insufficient quality or rigor. A
24 district that denies a pupil enrollment for this reason shall make
25 a reasonable effort to assist the pupil to find an alternative
26 course in the same or a similar subject that is of acceptable rigor
27 and quality.

1 (f) The cost of the online course exceeds the amount
2 identified in subsection ~~(8)~~, **(10)**, unless the pupil's parent or
3 legal guardian agrees to pay the cost that exceeds this amount.

4 (g) The online course enrollment request does not occur within
5 the same timelines established by the **PRIMARY** district for
6 enrollment and schedule changes for regular courses.

7 (6) If a pupil is denied enrollment in an online course by a
8 **THE PUPIL'S PRIMARY** district, the pupil may appeal the denial by
9 submitting a letter to the superintendent of the intermediate
10 district in which the pupil's ~~educating~~ **PRIMARY** district is
11 located. The letter of appeal shall include the reason provided by
12 the **PRIMARY** district for not enrolling the pupil and the reason why
13 the pupil is claiming that the enrollment should be approved. The
14 intermediate district superintendent or designee shall respond to
15 the appeal within 5 days after it is received. If the intermediate
16 district superintendent or designee determines that the denial of
17 enrollment does not meet 1 or more of the reasons specified in
18 subsection (5), the **PRIMARY** district shall allow the pupil to
19 enroll in the online course.

20 (7) To ~~offer or~~ provide an online course under this section, a
21 **THE PROVIDING** district or intermediate district shall do all of the
22 following:

23 (a) Provide the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**
24 with the course syllabus in a form and method prescribed by the
25 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** for inclusion in a
26 statewide online course catalog. The district or intermediate
27 district shall also provide on its publicly accessible website a

1 link to the course syllabi for all of the online courses offered by
2 the district or intermediate district and a link to the statewide
3 catalog of online courses maintained by the Michigan ~~virtual~~
4 ~~university~~. **VIRTUAL UNIVERSITY.**

5 **(B) ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE**
6 **PRIMARY DISTRICT WITH THE PERSONAL IDENTIFICATION CODE FOR THE**
7 **TEACHER OF RECORD.**

8 **(C) ~~(b)~~** Offer the online course on an open entry and exit
9 method, or aligned to a semester, trimester, or accelerated
10 academic term format.

11 **(D) ~~(e)~~** Not later than October 1, ~~2014,~~ **2015**, provide the
12 Michigan virtual university with the number of enrollments in each
13 online course the district or intermediate district ~~offered~~
14 **PROVIDED** to pupils pursuant to this section in the immediately
15 preceding school year, and the number of enrollments in which the
16 pupil earned 60% or more of the total course points for each online
17 course.

18 **(8) TO PROVIDE AN ONLINE COURSE UNDER THIS SECTION, A**
19 **COMMUNITY COLLEGE SHALL DO ALL OF THE FOLLOWING:**

20 **(A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE**
21 **SYLLABUS IN A FORM AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL**
22 **UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG.**

23 **(B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,**
24 **OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM**
25 **FORMAT.**

26 **(C) ENSURE THAT EACH ONLINE COURSE IT PROVIDES UNDER THIS**
27 **SECTION GENERATES POSTSECONDARY CREDIT.**

1 (D) BEGINNING WITH OCTOBER 1, 2016, AND BY OCTOBER 1 OF EACH
2 YEAR THEREAFTER, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE
3 NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE
4 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY
5 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE
6 PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE
7 COURSE.

8 (E) BE TAUGHT BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED
9 THROUGH THE COMMUNITY COLLEGE.

10 (9) FOR ANY ONLINE COURSE A PUPIL ENROLLS IN UNDER THIS
11 SECTION, THE PUPIL'S PRIMARY DISTRICT MUST ASSIGN TO THE PUPIL A
12 MENTOR TO MONITOR THE PUPIL'S PROGRESS DURING THE ONLINE COURSE AND
13 SHALL SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT
14 INFORMATION.

15 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses
16 published in the pupil's ~~educating~~ **PRIMARY** district's catalog of
17 online courses under subsection (7) or in the statewide catalog of
18 online courses maintained by the Michigan ~~virtual university,~~
19 **VIRTUAL UNIVERSITY**, the **PRIMARY** district shall use foundation
20 allowance or per-pupil funds calculated under section 20 to pay for
21 the expenses associated with the online course or courses. ~~The~~
22 ~~district shall pay 80% of the cost of the online course upon~~
23 ~~enrollment and 20% upon completion as determined by the district. A~~
24 district is not required to pay toward the cost of an online course
25 an amount that exceeds ~~8.33%~~ **6.67%** of the minimum foundation
26 allowance for the current fiscal year as calculated under section
27 20.

(11) ~~(9)~~—An online learning pupil shall have the same rights and access to technology in his or her primary district's school facilities as all other pupils enrolled in the pupil's primary district.

(12) ~~(10)~~—If a pupil successfully completes an online course, as determined by the pupil's primary district, the pupil's primary district shall grant appropriate academic credit for completion of the course and shall count that credit toward completion of graduation and subject area requirements. A pupil's school record and transcript shall identify the online course title as it appears in the online course syllabus.

(13) ~~(11)~~—The enrollment of a pupil in 1 or more online courses shall not result in a pupil being counted as more than 1.0 full-time equivalent pupils under this article.

(14) ~~(12)~~—The portion of the full-time equated pupil membership for which a pupil is enrolled in 1 or more online courses under this section shall not be transferred under the pupil transfer process under section 25e.

(15) ~~(13)~~—As used in this section:

(A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY DISTRICT WHO MONITORS THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR ASSISTANCE, AND ENSURES ACCESS TO THE TEACHER OF RECORD. A MENTOR MAY ALSO SERVE AS THE TEACHER OF RECORD IF THE MENTOR MEETS THE REQUIREMENTS UNDER SUBDIVISION (G).

(B) ~~(a)~~—"Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an

1 interactive ~~internet-connected~~ **INTERNET-CONNECTED** learning
2 environment, in which pupils are separated from their teachers by
3 time or location, or both, and, **IF THE COURSE IS PROVIDED BY A**
4 **DISTRICT OR INTERMEDIATE DISTRICT**, in which a teacher who holds a
5 valid Michigan teaching certificate **THAT QUALIFIES THE TEACHER TO**
6 **TEACH THE COURSE** is responsible for **PROVIDING INSTRUCTION**,
7 determining appropriate instructional methods for each pupil,
8 diagnosing learning needs, assessing pupil learning, prescribing
9 intervention strategies, reporting outcomes, and evaluating the
10 effects of instruction and support strategies.

11 (C) ~~(b)~~ "Online course syllabus" means a document that
12 includes all of the following:

13 (i) The state academic standards addressed in an online
14 course.

15 (ii) The online course content outline.

16 (iii) The online course required assessments.

17 (iv) The online course prerequisites.

18 (v) Expectations for actual instructor contact time with the
19 online learning pupil and other pupil-to-instructor communications.

20 (vi) Academic support available to the online learning pupil.

21 (vii) The online course learning outcomes and objectives.

22 (viii) The name of the institution or organization providing
23 the online content.

24 (ix) The name of the institution or organization providing the
25 online instructor.

26 (x) The course titles assigned by the district or intermediate
27 district and the course titles and course codes from the ~~national~~

~~center for education statistics~~ **NATIONAL CENTER FOR EDUCATION
STATISTICS** (NCES) school codes for the exchange of data (SCED).

(xi) The number of eligible nonresident pupils that will be accepted by the district or intermediate district in the online course.

(xii) The results of the online course quality review using the guidelines and model review process published by the Michigan ~~virtual university~~. **VIRTUAL UNIVERSITY.**

(D) ~~(c)~~—"Online learning pupil" means a pupil enrolled in 1 or more online courses.

(E) ~~(d)~~—"Primary district" means the **PUPIL'S** district ~~that enrolls the pupil and reports the pupil as a full-time equated pupil for pupil membership purposes.~~ **OF RESIDENCE.**

(F) **"PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE DISTRICT, OR COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO PROVIDE THE ONLINE COURSE.**

(G) **"TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID MICHIGAN TEACHING CERTIFICATE; WHO, WHERE APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE OF THE ONLINE COURSE; AND IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$5,380,000,000.00 for 2014-2015~~ **\$5,282,300,000.00 FOR 2015-2016** for payments to districts and qualifying public school academies to guarantee each district and

1 qualifying public school academy an amount equal to its 1994-95
2 total state and local per pupil revenue for school operating
3 purposes under section 11 of article IX of the state constitution
4 of 1963. Pursuant to section 11 of article IX of the state
5 constitution of 1963, this guarantee does not apply to a district
6 in a year in which the district levies a millage rate for school
7 district operating purposes less than it levied in 1994. However,
8 subsection (2) applies to calculating the payments under this
9 section. Funds allocated under this section that are not expended
10 in the state fiscal year for which they were allocated, as
11 determined by the department, may be used to supplement the
12 allocations under sections 22b and 51c in order to fully fund those
13 calculated allocations for the same fiscal year.

14 (2) To ensure that a district receives an amount equal to the
15 district's 1994-95 total state and local per pupil revenue for
16 school operating purposes, there is allocated to each district a
17 state portion of the district's 1994-95 foundation allowance in an
18 amount calculated as follows:

19 (a) Except as otherwise provided in this subsection, the state
20 portion of a district's 1994-95 foundation allowance is an amount
21 equal to the district's 1994-95 foundation allowance or \$6,500.00,
22 whichever is less, minus the difference between the sum of the
23 product of the taxable value per membership pupil of all property
24 in the district that is nonexempt property times the district's
25 certified mills and, for a district with certified mills exceeding
26 12, the product of the taxable value per membership pupil of
27 property in the district that is commercial personal property times

1 the certified mills minus 12 mills and the quotient of the ad
2 valorem property tax revenue of the district captured under tax
3 increment financing acts divided by the district's membership. For
4 a district that has a millage reduction required under section 31
5 of article IX of the state constitution of 1963, the state portion
6 of the district's foundation allowance shall be calculated as if
7 that reduction did not occur. For a receiving district, if school
8 operating taxes are to be levied on behalf of a dissolved district
9 that has been attached in whole or in part to the receiving
10 district to satisfy debt obligations of the dissolved district
11 under section 12 of the revised school code, MCL 380.12, taxable
12 value per membership pupil of all property in the receiving
13 district that is nonexempt property and taxable value per
14 membership pupil of property in the receiving district that is
15 commercial personal property do not include property within the
16 geographic area of the dissolved district; ad valorem property tax
17 revenue of the receiving district captured under tax increment
18 financing acts does not include ad valorem property tax revenue
19 captured within the geographic boundaries of the dissolved district
20 under tax increment financing acts; and certified mills do not
21 include the certified mills of the dissolved district.

22 (b) For a district that had a 1994-95 foundation allowance
23 greater than \$6,500.00, the state payment under this subsection
24 shall be the sum of the amount calculated under subdivision (a)
25 plus the amount calculated under this subdivision. The amount
26 calculated under this subdivision shall be equal to the difference
27 between the district's 1994-95 foundation allowance minus \$6,500.00

1 and the current year hold harmless school operating taxes per
2 pupil. If the result of the calculation under subdivision (a) is
3 negative, the negative amount shall be an offset against any state
4 payment calculated under this subdivision. If the result of a
5 calculation under this subdivision is negative, there shall not be
6 a state payment or a deduction under this subdivision. The taxable
7 values per membership pupil used in the calculations under this
8 subdivision are as adjusted by ad valorem property tax revenue
9 captured under tax increment financing acts divided by the
10 district's membership. For a receiving district, if school
11 operating taxes are to be levied on behalf of a dissolved district
12 that has been attached in whole or in part to the receiving
13 district to satisfy debt obligations of the dissolved district
14 under section 12 of the revised school code, MCL 380.12, ad valorem
15 property tax revenue captured under tax increment financing acts do
16 not include ad valorem property tax revenue captured within the
17 geographic boundaries of the dissolved district under tax increment
18 financing acts.

19 (3) Beginning in 2003-2004, for pupils in membership in a
20 qualifying public school academy, there is allocated under this
21 section to the authorizing body that is the fiscal agent for the
22 qualifying public school academy for forwarding to the qualifying
23 public school academy an amount equal to the 1994-95 per pupil
24 payment to the qualifying public school academy under section 20.

25 (4) A district or qualifying public school academy may use
26 funds allocated under this section in conjunction with any federal
27 funds for which the district or qualifying public school academy

1 otherwise would be eligible.

2 (5) Except as otherwise provided in this subsection, for a
3 district that is formed or reconfigured after June 1, 2000 by
4 consolidation of 2 or more districts or by annexation, the
5 resulting district's 1994-95 foundation allowance under this
6 section beginning after the effective date of the consolidation or
7 annexation shall be the average of the 1994-95 foundation
8 allowances of each of the original or affected districts,
9 calculated as provided in this section, weighted as to the
10 percentage of pupils in total membership in the resulting district
11 in the state fiscal year in which the consolidation takes place who
12 reside in the geographic area of each of the original districts. If
13 an affected district's 1994-95 foundation allowance is less than
14 the 1994-95 basic foundation allowance, the amount of that
15 district's 1994-95 foundation allowance shall be considered for the
16 purpose of calculations under this subsection to be equal to the
17 amount of the 1994-95 basic foundation allowance. This subsection
18 does not apply to a receiving district unless there is a subsequent
19 consolidation or annexation that affects the district.

20 (6) Payments under this section are subject to section 25f.

21 (7) As used in this section:

22 (a) "1994-95 foundation allowance" means a district's 1994-95
23 foundation allowance calculated and certified by the department of
24 treasury or the superintendent under former section 20a as enacted
25 in 1993 PA 336 and as amended by 1994 PA 283.

26 (b) "Certified mills" means the lesser of 18 mills or the
27 number of mills of school operating taxes levied by the district in

1 1993-94.

2 (c) "Current state fiscal year" means the state fiscal year
3 for which a particular calculation is made.

4 (d) "Current year hold harmless school operating taxes per
5 pupil" means the per pupil revenue generated by multiplying a
6 district's 1994-95 hold harmless millage by the district's current
7 year taxable value per membership pupil. For a receiving district,
8 if school operating taxes are to be levied on behalf of a dissolved
9 district that has been attached in whole or in part to the
10 receiving district to satisfy debt obligations of the dissolved
11 district under section 12 of the revised school code, MCL 380.12,
12 taxable value per membership pupil does not include the taxable
13 value of property within the geographic area of the dissolved
14 district.

15 (e) "Dissolved district" means a district that loses its
16 organization, has its territory attached to 1 or more other
17 districts, and is dissolved as provided under section 12 of the
18 revised school code, MCL 380.12.

19 (f) "Hold harmless millage" means, for a district with a 1994-
20 95 foundation allowance greater than \$6,500.00, the number of mills
21 by which the exemption from the levy of school operating taxes on a
22 homestead, qualified agricultural property, qualified forest
23 property, supportive housing property, industrial personal
24 property, ~~and commercial personal property~~, **AND PROPERTY OCCUPIED**
25 **BY A PUBLIC SCHOOL ACADEMY** could be reduced as provided in section
26 1211 of the revised school code, MCL 380.1211, and the number of
27 mills of school operating taxes that could be levied on all

1 property as provided in section 1211(2) of the revised school code,
2 MCL 380.1211, as certified by the department of treasury for the
3 1994 tax year. For a receiving district, if school operating taxes
4 are to be levied on behalf of a dissolved district that has been
5 attached in whole or in part to the receiving district to satisfy
6 debt obligations of the dissolved district under section 12 of the
7 revised school code, MCL 380.12, school operating taxes do not
8 include school operating taxes levied within the geographic area of
9 the dissolved district.

10 (g) "Homestead", "qualified agricultural property", "qualified
11 forest property", "supportive housing property", "industrial
12 personal property", and "commercial personal property" mean those
13 terms as defined in section 1211 of the revised school code, MCL
14 380.1211.

15 (h) "Membership" means the definition of that term under
16 section 6 as in effect for the particular fiscal year for which a
17 particular calculation is made.

18 (i) "Nonexempt property" means property that is not a
19 principal residence, qualified agricultural property, qualified
20 forest property, supportive housing property, industrial personal
21 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
22 **A PUBLIC SCHOOL ACADEMY.**

23 (j) "Qualifying public school academy" means a public school
24 academy that was in operation in the 1994-95 school year and is in
25 operation in the current state fiscal year.

26 (k) "Receiving district" means a district to which all or part
27 of the territory of a dissolved district is attached under section

1 12 of the revised school code, MCL 380.12.

2 (l) "School operating taxes" means local ad valorem property
3 taxes levied under section 1211 of the revised school code, MCL
4 380.1211, and retained for school operating purposes as defined in
5 section 20.

6 (m) "Tax increment financing acts" means 1975 PA 197, MCL
7 125.1651 to 125.1681, the tax increment finance authority act, 1980
8 PA 450, MCL 125.1801 to 125.1830, the local development financing
9 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
10 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
11 or the corridor improvement authority act, 2005 PA 280, MCL
12 125.2871 to 125.2899.

13 (n) "Taxable value per membership pupil" means each of the
14 following divided by the district's membership:

15 (i) For the number of mills by which the exemption from the
16 levy of school operating taxes on a homestead, qualified
17 agricultural property, qualified forest property, supportive
18 housing property, industrial personal property, ~~and~~ commercial
19 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
20 may be reduced as provided in section 1211 of the revised school
21 code, MCL 380.1211, the taxable value of homestead, qualified
22 agricultural property, qualified forest property, supportive
23 housing property, industrial personal property, ~~and~~ commercial
24 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
25 for the calendar year ending in the current state fiscal year. For
26 a receiving district, if school operating taxes are to be levied on
27 behalf of a dissolved district that has been attached in whole or

1 in part to the receiving district to satisfy debt obligations of
2 the dissolved district under section 12 of the revised school code,
3 MCL 380.12, mills do not include mills within the geographic area
4 of the dissolved district.

5 (ii) For the number of mills of school operating taxes that
6 may be levied on all property as provided in section 1211(2) of the
7 revised school code, MCL 380.1211, the taxable value of all
8 property for the calendar year ending in the current state fiscal
9 year. For a receiving district, if school operating taxes are to be
10 levied on behalf of a dissolved district that has been attached in
11 whole or in part to the receiving district to satisfy debt
12 obligations of the dissolved district under section 12 of the
13 revised school code, MCL 380.12, school operating taxes do not
14 include school operating taxes levied within the geographic area of
15 the dissolved district.

16 Sec. 22b. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed ~~\$3,434,000,000.00 for 2014-2015~~
18 **\$3,688,700,000.00 FOR 2015-2016** for discretionary nonmandated
19 payments to districts under this section. Funds allocated under
20 this section that are not expended in the state fiscal year for
21 which they were allocated, as determined by the department, may be
22 used to supplement the allocations under sections 22a and 51c in
23 order to fully fund those calculated allocations for the same
24 fiscal year.

25 (2) Subject to subsection (3) and section 296, the allocation
26 to a district under this section shall be an amount equal to the
27 sum of the amounts calculated under sections 20, 51a(2), 51a(3),

1 and 51a(11), minus the sum of the allocations to the district under
2 sections 22a and 51c.

3 (3) In order to receive an allocation under subsection (1),
4 each district shall do all of the following:

5 (a) Comply with section 1280b of the revised school code, MCL
6 380.1280b.

7 (b) Comply with sections 1278a and 1278b of the revised school
8 code, MCL 380.1278a and 380.1278b.

9 (c) Furnish data and other information required by state and
10 federal law to the center and the department in the form and manner
11 specified by the center or the department, as applicable.

12 (d) Comply with section 1230g of the revised school code, MCL
13 380.1230g.

14 (e) Comply with section 21f.

15 (4) Districts are encouraged to use funds allocated under this
16 section for the purchase and support of payroll, human resources,
17 and other business function software that is compatible with that
18 of the intermediate district in which the district is located and
19 with other districts located within that intermediate district.

20 (5) From the allocation in subsection (1), the department
21 shall pay up to \$1,000,000.00 in litigation costs incurred by this
22 state related to commercial or industrial property tax appeals,
23 including, but not limited to, appeals of classification, that
24 impact revenues dedicated to the state school aid fund.

25 (6) From the allocation in subsection (1), the department
26 shall pay up to \$1,000,000.00 in litigation costs incurred by this
27 state associated with lawsuits filed by 1 or more districts or

1 intermediate districts against this state. If the allocation under
2 this section is insufficient to fully fund all payments required
3 under this section, the payments under this subsection shall be
4 made in full before any proration of remaining payments under this
5 section.

6 (7) It is the intent of the legislature that all
7 constitutional obligations of this state have been fully funded
8 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
9 an entity receiving funds under this article that challenges the
10 legislative determination of the adequacy of this funding or
11 alleges that there exists an unfunded constitutional requirement,
12 the state budget director may escrow or allocate from the
13 discretionary funds for nonmandated payments under this section the
14 amount as may be necessary to satisfy the claim before making any
15 payments to districts under subsection (2). If funds are escrowed,
16 the escrowed funds are a work project appropriation and the funds
17 are carried forward into the following fiscal year. The purpose of
18 the work project is to provide for any payments that may be awarded
19 to districts as a result of litigation. The work project shall be
20 completed upon resolution of the litigation.

21 (8) If the local claims review board or a court of competent
22 jurisdiction makes a final determination that this state is in
23 violation of section 29 of article IX of the state constitution of
24 1963 regarding state payments to districts, the state budget
25 director shall use work project funds under subsection (7) or
26 allocate from the discretionary funds for nonmandated payments
27 under this section the amount as may be necessary to satisfy the

1 amount owed to districts before making any payments to districts
2 under subsection (2).

3 (9) If a claim is made in court that challenges the
4 legislative determination of the adequacy of funding for this
5 state's constitutional obligations or alleges that there exists an
6 unfunded constitutional requirement, any interested party may seek
7 an expedited review of the claim by the local claims review board.
8 If the claim exceeds \$10,000,000.00, this state may remove the
9 action to the court of appeals, and the court of appeals shall have
10 and shall exercise jurisdiction over the claim.

11 (10) If payments resulting from a final determination by the
12 local claims review board or a court of competent jurisdiction that
13 there has been a violation of section 29 of article IX of the state
14 constitution of 1963 exceed the amount allocated for discretionary
15 nonmandated payments under this section, the legislature shall
16 provide for adequate funding for this state's constitutional
17 obligations at its next legislative session.

18 (11) If a lawsuit challenging payments made to districts
19 related to costs reimbursed by federal title XIX Medicaid funds is
20 filed against this state, then, for the purpose of addressing
21 potential liability under such a lawsuit, the state budget director
22 may place funds allocated under this section in escrow or allocate
23 money from the funds otherwise allocated under this section, up to
24 a maximum of 50% of the amount allocated in subsection (1). If
25 funds are placed in escrow under this subsection, those funds are a
26 work project appropriation and the funds are carried forward into
27 the following fiscal year. The purpose of the work project is to

1 provide for any payments that may be awarded to districts as a
 2 result of the litigation. The work project shall be completed upon
 3 resolution of the litigation. In addition, this state reserves the
 4 right to terminate future federal title XIX Medicaid reimbursement
 5 payments to districts if the amount or allocation of reimbursed
 6 funds is challenged in the lawsuit. As used in this subsection,
 7 "title XIX" means title XIX of the social security act, 42 USC 1396
 8 to 1396v.

9 (12) Payments under this section are subject to section 25f.

10 Sec. 22d. (1) From the appropriation in section 11, an amount
 11 not to exceed ~~\$2,584,600.00~~ **\$5,000,000.00** is allocated for ~~2014-~~
 12 ~~2015-2015-2016~~ for supplemental payments to rural districts under
 13 this section.

14 (2) From the allocation under subsection (1), there is
 15 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
 16 \$957,300.00 for payments under this subsection to districts that
 17 meet all of the following:

18 (a) Operates grades K to 12.

19 (b) Has fewer than 250 pupils in membership.

20 (c) Each school building operated by the district meets at
 21 least 1 of the following:

22 (i) Is located in the Upper Peninsula at least 30 miles from
 23 any other public school building.

24 (ii) Is located on an island that is not accessible by bridge.

25 (3) The amount of the additional funding to each eligible
 26 district under subsection (2) shall be determined under a spending
 27 plan developed as provided in this subsection and approved by the

1 superintendent of public instruction. The spending plan shall be
 2 developed cooperatively by the intermediate superintendents of each
 3 intermediate district in which an eligible district is located. The
 4 intermediate superintendents shall review the financial situation
 5 of each eligible district, determine the minimum essential
 6 financial needs of each eligible district, and develop and agree on
 7 a spending plan that distributes the available funding under
 8 subsection (2) to the eligible districts based on those financial
 9 needs. The intermediate superintendents shall submit the spending
 10 plan to the superintendent of public instruction for approval. Upon
 11 approval by the superintendent of public instruction, the amounts
 12 specified for each eligible district under the spending plan are
 13 allocated under subsection (2) and shall be paid to the eligible
 14 districts in the same manner as payments under section 22b.

15 (4) Subject to subsection (6), from the allocation in
 16 subsection (1), there is allocated for ~~2014-2015-2015-2016~~ an
 17 amount not to exceed ~~\$1,627,300.00~~ **\$4,042,700.00** for payments under
 18 this subsection to districts that ~~meet all of the following:~~

19 ~~— (a) The district has 5.0~~ **HAVE 7.3** or fewer pupils per square
 20 mile as determined by the department.

21 ~~— (b) The district has a total square mileage greater than 200.0~~
 22 ~~or is 1 of 2 districts that have consolidated transportation~~
 23 ~~services and have a combined total square mileage greater than~~
 24 ~~200.0.~~

25 (5) The funds allocated under subsection (4) shall be
 26 allocated on an equal per-pupil basis.

27 (6) A district receiving funds allocated under subsection (2)

1 is not eligible for funding allocated under subsection (4).

2 Sec. 22f. (1) From the appropriation in section 11, there is
3 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
4 ~~\$75,000,000.00~~ **\$30,000,000.00** to provide incentive payments to
5 districts that meet best practices under this section. **FUNDS**
6 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO INCREASE THE FISCAL**
7 **HEALTH OF DISTRICTS STATEWIDE, TO DECREASE THE NUMBER OF DISTRICTS**
8 **WITH ONGOING DEFICITS, TO INCREASE THE NUMBER OF PUPILS READING AT**
9 **GRADE LEVEL BY THE END OF GRADE 3, AND TO INCREASE THE NUMBER OF**
10 **PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL**
11 **GRADUATION.** Payments received under this section may be used for
12 any purpose for which payments under sections 22a and 22b may be
13 used.

14 (2) The amount of the incentive payment under this section is
15 an amount equal to ~~\$50.00~~ **\$20.00** per-pupil. A district shall
16 receive an incentive payment under this section if the district
17 satisfies ~~at least 7~~ **BOTH** of the following requirements not later
18 than June 1, ~~2015-2016~~:

19 ~~—— (a) If a district provides medical, pharmacy, dental, vision,~~
20 ~~disability, long term care, or any other type of benefit that would~~
21 ~~constitute a health care services benefit, to employees and their~~
22 ~~dependents, the district is the policyholder for each of its~~
23 ~~insurance policies that covers 1 or more of these benefits. A~~
24 ~~district that does not directly employ its staff or a district with~~
25 ~~a voluntary employee beneficiary association that pays no more than~~
26 ~~the maximum per employee contribution amount and that contributes~~
27 ~~no more than the maximum employer contribution percentage of total~~

~~annual costs for the medical benefit plans as described in sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.~~

~~———— (b) The district has obtained competitive bids on the provision of pupil transportation, food service, custodial, or 1 or more other noninstructional services for 2014-2015. In comparing competitive bids to the current costs of providing 1 or more of these services, a district shall exclude the unfunded accrued liability costs for retirement and other benefits from the district's current costs.~~

~~———— (c) The district accepts applications for enrollment by nonresident applicants under section 105 or 105c. A public school academy is considered to have met this requirement.~~

~~———— (d) The district offers online courses or blended learning opportunities to all eligible pupils. In order to satisfy this requirement, a district must make all eligible pupils and their parents or guardians aware of these opportunities and must publish an online course syllabus as described in section 21f for each online course that the district offers. For the purposes of this subdivision:~~

~~———— (i) "Blended learning" means a hybrid instructional delivery model where pupils are provided content, instruction, and assessment in part at a supervised educational facility away from home where the pupil and a teacher with a valid Michigan teaching certificate are in the same physical location and in part through internet-connected learning environments with some degree of pupil~~

1 ~~control over time, location, and pace of instruction.~~

2 ~~—— (ii) "Online course" means a course of study that is capable~~
 3 ~~of generating a credit or a grade, that is provided in an~~
 4 ~~interactive internet connected learning environment, in which~~
 5 ~~pupils are separated from their teachers by time or location, or~~
 6 ~~both, and in which a teacher with a valid Michigan teaching~~
 7 ~~certificate is responsible for determining appropriate~~
 8 ~~instructional methods for each pupil, diagnosing learning needs,~~
 9 ~~assessing pupil learning, prescribing intervention strategies,~~
 10 ~~reporting outcomes, and evaluating the effects of instruction and~~
 11 ~~support strategies.~~

12 **(A) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING**
 13 **FINANCIAL BEST PRACTICES:**

14 ~~(i) (e)~~The district provides to parents and community members
 15 a dashboard or report card demonstrating the district's efforts to
 16 manage its finances responsibly. The dashboard or report card shall
 17 include revenue and expenditure projections for the district for
 18 fiscal year ~~2014-2015-2015-2016~~ and fiscal year ~~2015-2016, 2016-~~
 19 ~~2017~~, a listing of all debt service obligations, detailed by
 20 project, including anticipated fiscal year ~~2014-2015-2015-2016~~
 21 payment for each project, a listing of total outstanding debt, and
 22 at least all of the following for the 3 most recent school years
 23 for which the data are available:

24 **(A)** ~~(i)~~Graduation and dropout rates.

25 **(B)** ~~(ii)~~Average class size in grades kindergarten to 3.

26 **(C)** ~~(iii)~~College readiness as measured by Michigan merit
 27 examination test scores.

1 (D) ~~(iv)~~ Elementary and middle school ~~MEAP~~ **MICHIGAN STUDENT**
 2 **TEST OF EDUCATIONAL PROGRESS (M-STEP)** scores.

3 (E) ~~(v)~~ Teacher, principal, and superintendent salary
 4 information including at least minimum, average, and maximum pay
 5 levels.

6 (F) ~~(vi)~~ General fund balance.

7 (G) ~~(vii)~~ The total number of days of instruction provided.

8 ~~—— (f) The district complies with a method of compensation for~~
 9 ~~teachers and school administrators that includes job performance~~
 10 ~~and accomplishments as a significant factor in determining~~
 11 ~~compensation, as required under section 1250 of the revised school~~
 12 ~~code, MCL 380.1250.~~

13 ~~—— (g) The district's collective bargaining agreements,~~
 14 ~~including, but not limited to, appendices, addenda, letters of~~
 15 ~~agreement, or any other documents reflecting agreements with~~
 16 ~~collective bargaining representatives, do not contain any~~
 17 ~~provisions pertaining to, relating to, or that are otherwise~~
 18 ~~contrary to the prohibited subjects of bargaining enumerated in~~
 19 ~~section 15(3) of 1947 PA 336, MCL 423.215.~~

20 ~~—— (h) The district implements a comprehensive guidance and~~
 21 ~~counseling program.~~

22 ~~—— (i) The district offers pupils in grades K to 8 the~~
 23 ~~opportunity to complete coursework or other learning experiences~~
 24 ~~that are substantially equivalent to 1 credit in a language other~~
 25 ~~than English.~~

26 (ii) IF THE DISTRICT HAS AN ENDING GENERAL FUND BALANCE FOR
 27 THE IMMEDIATELY PRECEDING FISCAL YEAR LESS THAN OR EQUAL TO 5% OF

1 OPERATING EXPENDITURES AS DETERMINED BY THE DEPARTMENT, THE MEMBERS
2 OF THE DISTRICT BOARD RECEIVE DEPARTMENT-APPROVED TRAINING THAT
3 COVERS AT LEAST ALL OF THE FOLLOWING:

4 (A) THE RESPONSIBILITIES OF THE BOARD AND THE DISTRICT
5 SUPERINTENDENT.

6 (B) THE REQUIREMENTS OF THE OPEN MEETINGS ACT, 1976 PA 267,
7 MCL 15.261 TO 15.275.

8 (C) CONFLICTS OF INTEREST.

9 (D) SCHOOL FINANCE AND SCHOOL BUDGETING.

10 (E) CONTRACTS AND NEGOTIATIONS.

11 (F) THE PROCESS OF DATA-DRIVEN DECISION MAKING AND POLICY
12 DEVELOPMENT.

13 (iii) THE DISTRICT MAINTAINED AN ENDING GENERAL FUND BALANCE
14 GREATER THAN 5% OF OPERATING EXPENDITURES FOR THE IMMEDIATELY
15 PRECEDING FISCAL YEAR AS DETERMINED BY THE DEPARTMENT.

16 (B) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING
17 ACADEMIC BEST PRACTICES:

18 (i) THE DISTRICT ADMINISTERS A DEPARTMENT-APPROVED
19 KINDERGARTEN ENTRY ASSESSMENT THAT ASSESSES ENGLISH LANGUAGE ARTS
20 AND MATHEMATICS SKILLS OF ALL FIRST-TIME KINDERGARTEN PUPILS
21 ENROLLING IN THE DISTRICT. THE ASSESSMENT SHALL BE ADMINISTERED BY
22 THE DISTRICT USING A METHOD AND TIME FRAME DETERMINED BY THE
23 DEPARTMENT.

24 (ii) THE DISTRICT ADMINISTERS DEPARTMENT-APPROVED DIAGNOSTIC
25 TOOLS TO MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY
26 READING SKILLS OF PUPILS IN GRADES K TO 3, AND SUPPORTS RESEARCH-
27 BASED PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION

1 FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO
2 IMPROVE GRADE 3 READING PROFICIENCY. THE DIAGNOSTIC TOOLS AND
3 PROFESSIONAL DEVELOPMENT SHALL BE USED BY THE DISTRICT TO IDENTIFY
4 PUPILS WHO NEED ADDITIONAL SUPPORT AND TO OFFER RESEARCH-BASED
5 INTERVENTIONS.

6 (iii) THE DISTRICT ASSESSES THE EFFECTIVENESS OF CURRENT
7 COLLEGE AND CAREER ADVISING PROGRAMS WITHIN THE DISTRICT BY
8 REVIEWING PUPIL-TO-COUNSELOR RATIOS, THE TIME DEDICATED TO COLLEGE-
9 AND CAREER-READINESS COUNSELING AS OPPOSED TO NONCOUNSELING TASKS,
10 AND THE AMOUNT OF PROFESSIONAL DEVELOPMENT OFFERED TO COLLEGE- AND
11 CAREER-READINESS ADVISORS, AND, BASED ON THIS SELF-ASSESSMENT, THE
12 DISTRICT DEVELOPS A PLAN TO ADDRESS DEFICIENCIES ACCORDING TO
13 STANDARDS RECOMMENDED BY THE MICHIGAN COLLEGE ACCESS NETWORK AND
14 THE MICHIGAN SCHOOL COUNSELOR ASSOCIATION BASED ON THE
15 COMPREHENSIVE SCHOOL COUNSELING PROGRAM ADOPTED BY THE DEPARTMENT.

16 (iv) THE DISTRICT OFFERS CREDIT RECOVERY OPPORTUNITIES FOR
17 ELIGIBLE STUDENTS IN GRADES 9 TO 12 WHO ARE AT RISK OF NOT MEETING
18 CREDIT REQUIREMENTS FOR GRADUATING ON TIME.

19 (3) If the department determines that a district has
20 intentionally submitted false information in order to qualify for
21 an incentive payment under this section, the district forfeits an
22 amount equal to the amount it received under this section from its
23 total state school aid for ~~2015-2016~~-2016-2017.

24 (4) If the department determines that funds allocated under
25 this section will remain unexpended after the initial allocation of
26 ~~\$50.00~~-\$20.00 per-pupil to eligible districts under subsection (2),
27 the remaining unexpended amount is allocated on an equal per-pupil

1 basis to districts that meet the requirements of subsection (2) and
 2 that have a foundation allowance, as calculated under section 20,
 3 in an amount that is less than the basic foundation allowance under
 4 that section.

5 Sec. 22i. (1) From the funds appropriated in section 11, ~~there~~
 6 ~~is allocated for 2013-2014 an amount not to exceed \$45,000,000.00~~
 7 ~~and there is allocated for 2014-2015-2015-2016 an amount not to~~
 8 ~~exceed \$41,500,000.00~~ **\$25,000,000.00** for the technology **READINESS**
 9 infrastructure grant program for districts or intermediate
 10 districts on behalf of their constituent districts. Funds received
 11 under this ~~subsection~~ **SECTION** shall be used for the development or
 12 improvement of ~~a district's~~ **DISTRICTS'** technology **HARD**
 13 infrastructure, the shared services consolidation of technology and
 14 data, ~~and~~ **FOR THE COORDINATION AND STRATEGIC PURCHASING OF**
 15 hardware **AND SOFTWARE** in preparation for the ~~planned implementation~~
 16 ~~in 2014-2015 of online assessments~~. **DELIVERY OF ASSESSMENTS THROUGH**
 17 **ONLINE MODELS.**

18 (2) ~~The~~ **SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE**
 19 department shall develop a competitive application process and
 20 method of grant distribution to eligible districts and intermediate
 21 districts that demonstrate need for grants under subsection (1).
 22 The department may consult with the department of technology,
 23 management, and budget during the grant process and grant
 24 distribution. Grants to districts shall not exceed \$2,000,000.00
 25 per district. A grant to an intermediate district on behalf of its
 26 constituent districts shall not exceed \$2,000,000.00 per
 27 constituent district. To receive a grant under subsection (1), an

intermediate district shall demonstrate that a grant awarded to the intermediate district on behalf of its constituent districts would provide savings compared to providing grants to individual districts. **ADDED CONSIDERATION SHALL BE GIVEN TO APPLICANTS THAT PROPOSE EXTERNAL PARTNERSHIPS AND ARTICULATE PLANS FOR SUSTAINABILITY BEYOND THE GRANT FUNDING.**

~~—— (3) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$5,000,000.00 for 2013-2014 to be awarded through a competitive bid process to a single provider of whole school technology as described in this subsection. The department shall issue a single request for proposal with application rules written and administered by the department, and with a focus on economic and geographic diversity. To be eligible to receive the grant under this section, a provider shall meet all of the following:~~

~~—— (a) Agrees to submit evaluation criteria in a form and manner determined by the department.~~

~~—— (b) Provides at least all of the following:~~

~~—— (i) One to one mobile devices.~~

~~—— (ii) Laptop or desktop computers for each classroom.~~

~~—— (iii) On and off campus filtering.~~

~~—— (iv) Wireless networks and peripherals.~~

~~—— (v) Wireless audio equipment.~~

~~—— (vi) Operating software.~~

~~—— (vii) Instructional software.~~

~~—— (viii) Repairs and replacements.~~

~~—— (ix) Professional development.~~

1 ~~——(x) Ongoing support.~~

2 (3) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
3 ALLOCATED AN AMOUNT NOT TO EXCEED \$12,000,000.00 FOR DISTRICT
4 PARTICIPATION INCENTIVES AS DESCRIBED IN THIS SUBSECTION. GRANTS
5 AWARDED UNDER THIS SUBSECTION SHALL BE DISTRIBUTED ON AN EQUAL PER
6 PUPIL BASIS, NOT TO EXCEED \$10.00 PER PUPIL. TO RECEIVE FUNDING
7 UNDER THIS SUBSECTION, A DISTRICT MUST MEET ALL OF THE FOLLOWING:

8 (A) THE DISTRICT AGREES TO LIMIT THE SPENDING OF PARTICIPATION
9 INCENTIVE GRANTS TOWARD TECHNOLOGY READINESS EFFORTS, INCLUDING,
10 BUT NOT LIMITED TO, THE FOLLOWING:

11 (i) ONLINE OR DIGITAL ASSESSMENT, INCLUDING UNIVERSAL
12 DIAGNOSTIC SCREENING TOOLS.

13 (ii) IN-BUILDING WIRELESS CONNECTIVITY.

14 (iii) NETWORK SERVICES, SUCH AS ADDITIONAL BANDWIDTH AND
15 CONTENT FILTERING.

16 (iv) COMPUTER OR DEVICE PURCHASING.

17 (v) TECHNOLOGY READINESS FOR INSTRUCTION AND DATA
18 COLLABORATIONS THAT SUPPORT ONLINE ASSESSMENT READINESS.

19 (B) THE DISTRICT AGREES TO BE REPRESENTED IN THE PROGRAM KNOWN
20 AS "TRIG SPONSORED STATEWIDE 470 BIDS FOR E-RATE FUNDING" AND TO
21 CONSIDER USING THE AWARDED VENDORS. HOWEVER, THE DISTRICT WILL NOT
22 BE OBLIGATED TO PURCHASE FROM THAT BID OR THOSE VENDORS.

23 (C) THE DISTRICT AGREES TO PARTICIPATE IN ANY SURVEY OR DATA
24 COLLECTION PROCESS CONSIDERED NECESSARY BY THE DEPARTMENT.

25 (D) THE DISTRICT ENSURES THAT ITS INTERMEDIATE DISTRICT ALSO
26 AGREES TO REQUIREMENTS OF SUBDIVISIONS (A) TO (C) FOR THE DISTRICT
27 TO RECEIVE PARTICIPATION FUNDS.

1 (4) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
2 ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR DEVICE
3 PURCHASING INCENTIVES.

4 (5) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
5 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR DATA SYSTEMS
6 INTEGRATION.

7 (6) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR E-RATE
9 ACTIVITIES.

10 (7) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
11 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR ADMINISTRATION OF
12 THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT PROGRAM.

13 (8) NOT LATER THAN JANUARY 1, 2017, THE DEPARTMENT SHALL
14 CONSOLIDATE AND PREPARE A SUMMARY FROM THE TOTAL PROJECT REPORTS
15 FROM EACH GRANTEE UNDER THIS SECTION TO INCLUDE MEASURABLE OUTCOMES
16 BASED ON GRANT OBJECTIVES. THE REPORT WILL INCLUDE A SUMMARY OF
17 COMPILED DATA FROM EACH GRANTEE TO PROVIDE A MEANS TO EVALUATE THE
18 EFFECTIVENESS OF THE GRANT PROJECT. THE REPORT SHALL BE DELIVERED
19 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE
20 SCHOOL AID AND ON THE DEPARTMENT BUDGET AND TO THE HOUSE AND SENATE
21 FISCAL AGENCIES.

22 (9) ~~(4) The funds allocated under subsection (1) are a work~~
23 ~~project appropriation. Any unexpended funds for 2013-2014 are~~
24 ~~carried forward into 2014-2015 and any unexpended funds for 2014-~~
25 ~~2015 are carried forward into 2015-2016. The purpose of the work~~
26 ~~project is to continue to implement the projects described under~~
27 ~~this section. The estimated completion date of the work project is~~

1 ~~September 30, 2016-2015-2016~~ SHALL LAPSE TO THE STATE SCHOOL AID
2 FUND.

3 (10) FROM THE FUNDS APPROPRIATED UNDER THIS ARTICLE, THE
4 DEPARTMENT SHALL NOT CONTRACT FOR OR PAY FOR A CONTRACT THAT
5 CREATES INFORMATIONAL TECHNOLOGY INFRASTRUCTURE THAT IS OWNED OR
6 OPERATED BY THIS STATE, A LOCAL UNIT OF GOVERNMENT, A COMMUNITY
7 COLLEGE OR STATE PUBLIC UNIVERSITY, OR A DISTRICT OR INTERMEDIATE
8 DISTRICT, AND IS OPERATED IN A MANNER THAT PROVIDES INFORMATIONAL
9 TECHNOLOGY SERVICES TO PUBLIC ENTITIES IN COMPETITION WITH
10 BUSINESSES LOCATED IN THIS STATE.

11 (11) AS USED IN THIS SECTION:

12 (A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY
13 TO MOVE TO AN ONLINE LEARNING AND TESTING ENVIRONMENT, INCLUDING,
14 BUT NOT LIMITED TO, FIBER, SERVERS, WIRELESS COMPUTING NETWORKS,
15 AND NECESSARY PERIPHERALS.

16 (B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA"
17 MEANS PROJECTS THAT SUPPORT THE MOVE TO A COLLABORATIVE MULTIPLE
18 ORGANIZATIONAL APPROACH TO MANAGING HARDWARE, SOFTWARE,
19 PERIPHERALS, AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE
20 INFORMATION FOR PARENTS, TEACHERS, ADMINISTRATORS, AND THIS STATE.

21 Sec. 23a. (1) A dropout recovery program operated by a
22 district qualifies for the special membership counting provisions
23 of section ~~6(4)(ff)~~ 6(4)(DD) and the hours and day of pupil
24 instruction exemption under section 101(12) if the dropout recovery
25 program meets all of the following:

26 (a) Enrolls only eligible pupils.

27 (b) Provides an advocate. An advocate may serve in that role

1 for more than 1 pupil but no more than 50 pupils. An advocate may
2 be employed by the district or may be provided by an education
3 management organization that is partnering with the district.

4 Before an individual is assigned to be an advocate for a pupil in
5 the dropout recovery program, the district shall comply with
6 sections 1230 and 1230a of the revised school code, MCL 380.1230
7 and 380.1230a, with respect to that individual.

8 (c) Develops a written learning plan.

9 (d) Monitors the pupil's progress against the written learning
10 plan.

11 (e) Requires each pupil to make satisfactory monthly progress,
12 as defined by the district under subsection (2).

13 (f) Reports the pupil's progress results to the partner
14 district at least monthly.

15 (g) The program may be operated on or off a district school
16 campus, but may be operated using distance learning online only if
17 the program provides a computer and internet access for each
18 eligible pupil participating in the program.

19 (h) Is operated throughout the entire calendar year.

20 (i) If the district partners with an education management
21 organization for the program, the education management organization
22 has a dropout recovery program partnership relationship with at
23 least 1 other district.

24 (2) A district operating a dropout recovery program under this
25 section shall adopt a definition of satisfactory monthly progress
26 that is consistent with the definition of that term under
27 subsection (3).

1 (3) As used in this section:

2 (a) "Advocate" means an adult available to meet in person with
3 assigned pupils, as needed, to conduct social interventions, to
4 proctor final examinations, and to provide academic and social
5 support to pupils enrolled in the district's dropout recovery
6 program.

7 (b) "Education management organization" means a private
8 provider that operates 1 or more other dropout recovery programs
9 that meet the requirements of this section in partnership with 1 or
10 more districts.

11 (c) "Eligible pupil" means a pupil who has been expelled from
12 school under the mandatory expulsion provisions in section 1311 or
13 1311a of the revised school code, MCL 380.1311 and 380.1311a, a
14 pupil who has been suspended or expelled from school under a local
15 policy, a pupil who is referred by a court, a pupil who is pregnant
16 or is a parent, a pupil who was previously a dropout, or a pupil
17 who is determined by the district to be at risk of dropping out.

18 (d) "Satisfactory monthly progress" means an amount of
19 progress that is measurable on a monthly basis and that, if
20 continued for a full 12 months, would result in the same amount of
21 academic credit being awarded to the pupil as would be awarded to a
22 general education pupil completing a full school year. Satisfactory
23 monthly progress may include a lesser required amount of progress
24 for the first 2 months a pupil participates in the program.

25 (e) "Written learning plan" means a written plan developed in
26 conjunction with the advocate that includes the plan start and end
27 dates, courses to be taken, credit to be earned for each course,

1 teacher of record for each course, and advocate name and contact
2 information.

3 Sec. 24. (1) From the appropriation in section 11, there is
4 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
5 \$8,000,000.00 for payments to the educating district or
6 intermediate district for educating pupils assigned by a court or
7 the department of human services to reside in or to attend a
8 juvenile detention facility or child caring institution licensed by
9 the department of human services and approved by the department to
10 provide an on-grounds education program. The amount of the payment
11 under this section to a district or intermediate district shall be
12 calculated as prescribed under subsection (2).

13 (2) The total amount allocated under this section shall be
14 allocated by paying to the educating district or intermediate
15 district an amount equal to the lesser of the district's or
16 intermediate district's added cost or the department's approved
17 per-pupil allocation for the district or intermediate district. For
18 the purposes of this subsection:

19 (a) "Added cost" means 100% of the added cost each fiscal year
20 for educating all pupils assigned by a court or the department of
21 human services to reside in or to attend a juvenile detention
22 facility or child caring institution licensed by the department of
23 human services or the department of licensing and regulatory
24 affairs and approved by the department to provide an on-grounds
25 education program. Added cost shall be computed by deducting all
26 other revenue received under this article for pupils described in
27 this section from total costs, as approved by the department, in

1 whole or in part, for educating those pupils in the on-grounds
2 education program or in a program approved by the department that
3 is located on property adjacent to a juvenile detention facility or
4 child caring institution. Costs reimbursed by federal funds are not
5 included.

6 (b) "Department's approved per-pupil allocation" for a
7 district or intermediate district shall be determined by dividing
8 the total amount allocated under this section for a fiscal year by
9 the full-time equated membership total for all pupils approved by
10 the department to be funded under this section for that fiscal year
11 for the district or intermediate district.

12 (3) A district or intermediate district educating pupils
13 described in this section at a residential child caring institution
14 may operate, and receive funding under this section for, a
15 department-approved on-grounds educational program for those pupils
16 that is longer than 181 days, but not longer than 233 days, if the
17 child caring institution was licensed as a child caring institution
18 and offered in 1991-92 an on-grounds educational program that was
19 longer than 181 days but not longer than 233 days and that was
20 operated by a district or intermediate district.

21 (4) Special education pupils funded under section 53a shall
22 not be funded under this section.

23 Sec. 24a. From the appropriation in section 11, there is
24 allocated an amount not to exceed ~~\$2,195,500.00 for 2014-2015~~
25 **\$2,189,800.00 FOR 2015-2016** for payments to intermediate districts
26 for pupils who are placed in juvenile justice service facilities
27 operated by the department of human services. Each intermediate

1 district shall receive an amount equal to the state share of those
2 costs that are clearly and directly attributable to the educational
3 programs for pupils placed in facilities described in this section
4 that are located within the intermediate district's boundaries. The
5 intermediate districts receiving payments under this section shall
6 cooperate with the department of human services to ensure that all
7 funding allocated under this section is utilized by the
8 intermediate district and department of human services for
9 educational programs for pupils described in this section. Pupils
10 described in this section are not eligible to be funded under
11 section 24. However, a program responsibility or other fiscal
12 responsibility associated with these pupils shall not be
13 transferred from the department of human services to a district or
14 intermediate district unless the district or intermediate district
15 consents to the transfer.

16 Sec. 24c. From the appropriation in section 11, there is
17 allocated an amount not to exceed ~~\$1,500,000.00 for 2014-2015~~
18 **\$1,497,400.00 FOR 2015-2016** for payments to districts for pupils
19 who are enrolled in a nationally administered community-based
20 education and youth mentoring program, known as the youth challenge
21 program, that is administered by the department of military and
22 veterans affairs. Both of the following apply to a district
23 receiving payments under this section:

24 (a) The district shall contract with the department of
25 military and veterans affairs to ensure that all funding allocated
26 under this section is utilized by the district and the department
27 of military and veterans affairs for the youth challenge program.

1 (b) The district may retain for its administrative expenses an
2 amount not to exceed 3% of the amount of the payment the district
3 receives under this section.

4 Sec. 25e. (1) The pupil membership transfer application and
5 pupil transfer process administered by the center under this
6 section shall be used for processing pupil transfers.

7 (2) If a pupil counted in membership for the pupil membership
8 count day transfers from a district or intermediate district to
9 enroll in another district or intermediate district after the pupil
10 membership count day and before the supplemental count day and, due
11 to the pupil's enrollment and attendance status as of the pupil
12 membership count day, the pupil was not counted in membership in
13 the educating district or intermediate district, the educating
14 district or intermediate district may report the enrollment and
15 attendance information to the center through the pupil transfer
16 process within 30 days after the transfer or within 30 days after
17 the pupil membership count certification date, whichever is later.
18 Pupil transfers may be submitted no earlier than the first day
19 after the certification deadline for the pupil membership count day
20 and before the supplemental count day. Upon receipt of the transfer
21 information under this subsection indicating that a pupil has
22 enrolled and is in attendance in an educating district or
23 intermediate district as described in this subsection, the pupil
24 transfer process shall do the following:

25 (a) Notify the district in which the pupil was previously
26 enrolled.

27 (b) Notify both the pupil auditing staff of the intermediate

1 district in which the educating district is located and the pupil
2 auditing staff of the intermediate district in which the district
3 that previously enrolled the pupil is located. The pupil auditing
4 staff shall investigate a representative sample based on required
5 audit sample sizes in the pupil auditing manual and may deny the
6 pupil membership transfer.

7 (c) Aggregate the districtwide changes and notify the
8 department for use in adjusting the state aid payment system.

9 (3) The department shall do all of the following:

10 (a) Adjust the membership calculation for each district or
11 intermediate district in which the pupil was previously counted in
12 membership or that previously received an adjustment in its
13 membership calculation under this section due to a change in the
14 pupil's enrollment and attendance so that the district's or
15 intermediate district's membership is prorated to allow the
16 district or intermediate district to receive for each school day,
17 as determined by the financial calendar furnished by the center, in
18 which the pupil was enrolled and in attendance in the district or
19 intermediate district an amount equal to $1/105$ of a full-time
20 equated membership claimed in the fall pupil membership count. The
21 district or intermediate district shall receive a prorated
22 foundation allowance in an amount equal to the product of the
23 adjustment under this subdivision for the district or intermediate
24 district multiplied by the foundation allowance or per-pupil
25 payment as calculated under section 20 for the district or
26 intermediate district. The foundation allowance or per-pupil
27 payment shall be adjusted by the pupil's full-time equated status

1 as affected by the membership definition under section 6(4).

2 (b) Adjust the membership calculation for the educating
3 district or intermediate district in which the pupil is enrolled
4 and is in attendance so that the district's or intermediate
5 district's membership is increased to allow the district or
6 intermediate district to receive an amount equal to the difference
7 between the full-time equated membership claimed in the fall pupil
8 membership count and the sum of the adjustments calculated under
9 subdivision (a) for each district or intermediate district in which
10 the pupil was previously enrolled and in attendance. The educating
11 district or intermediate district shall receive a prorated
12 foundation allowance in an amount equal to the product of the
13 adjustment under this subdivision for the educating district or
14 intermediate district multiplied by the foundation allowance or
15 per-pupil payment as calculated under section 20 for the educating
16 district or intermediate district. The foundation allowance or per-
17 pupil payment shall be adjusted by the pupil's full-time equated
18 status as affected by the membership definition under section 6(4).

19 (4) The changes in calculation of state school aid required
20 under subsection (3) shall take effect as of the date that the
21 pupil becomes enrolled and in attendance in the educating district
22 or intermediate district, and the department shall base all
23 subsequent payments under this article for the fiscal year to the
24 affected districts or intermediate districts on this recalculation
25 of state school aid.

26 (5) If a pupil enrolls in an educating district or
27 intermediate district as described in subsection (2), the district

1 or intermediate district in which the pupil is counted in
 2 membership or another educating district or intermediate district
 3 that received an adjustment in its membership calculation under
 4 subsection (3), if any, and the educating district or intermediate
 5 district shall provide to the center and the department all
 6 information they require to comply with this section.

7 ~~—— (6) Not later than December 1, 2014, the center in conjunction~~
 8 ~~with the department shall report to the legislature data related to~~
 9 ~~the implementation of this section, including, but not limited to,~~
 10 ~~the number of transfer transactions and the net change in pupil~~
 11 ~~memberships in 2013-2014 by district and intermediate district.~~

12 (6) ~~(7)~~ The portion of the full-time equated pupil membership
 13 for which a pupil is enrolled in 1 or more online courses under
 14 section 21f shall not be counted or transferred under the pupil
 15 transfer process under this section.

16 (7) THE CENTER SHALL DETERMINE THE NUMBER OF PUPILS WHO DID
 17 NOT RESIDE IN THIS STATE AS OF THE 2015-2016 PUPIL MEMBERSHIP COUNT
 18 DAY, BUT WHO NEWLY ENROLLED IN A DISTRICT OR INTERMEDIATE DISTRICT
 19 AFTER THAT PUPIL MEMBERSHIP COUNT DAY AND BEFORE THE 2015-2016
 20 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL FURTHER DETERMINE THE
 21 NUMBER OF PUPILS WHO WERE COUNTED IN MEMBERSHIP FOR THE 2015-2016
 22 PUPIL MEMBERSHIP COUNT DAY, BUT WHO LEFT THIS STATE BEFORE THE
 23 2015-2016 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL PROVIDE A REPORT
 24 TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID,
 25 AND TO THE SENATE AND HOUSE FISCAL AGENCIES, DETAILING THE NUMBER
 26 OF PUPILS TRANSFERRING IN FROM ANOTHER STATE OR TRANSFERRING OUT
 27 FROM THIS STATE BETWEEN THE PUPIL MEMBERSHIP COUNT DAY AND

1 SUPPLEMENTAL COUNT DAY AS DESCRIBED IN THIS SUBSECTION. THE CENTER
2 SHALL INCLUDE IN THE REPORT A DISCUSSION OF BENEFITS AND OBSTACLES
3 TO DEVELOPING A PUPIL ENROLLMENT PROCESS FOR PUPILS WHO NEWLY
4 ENROLL IN A DISTRICT OR INTERMEDIATE DISTRICT AFTER THE PUPIL
5 MEMBERSHIP COUNT DAY AND BEFORE THE SUPPLEMENTAL COUNT DAY, AND
6 DEVELOPING A PROCESS FOR DEDUCTING PUPILS WHO WERE COUNTED ON THE
7 PUPIL MEMBERSHIP COUNT DAY AND TRANSFER OUT OF THIS STATE BEFORE
8 THE SUPPLEMENTAL COUNT DAY.

9 (8) As used in this section:

10 (a) "Educating district or intermediate district" means the
11 district or intermediate district in which a pupil enrolls after
12 the pupil membership count day or after an adjustment was made in
13 another district's or intermediate district's membership
14 calculation under this section due to the pupil's enrollment and
15 attendance.

16 (b) "Pupil" means that term as defined under section 6 and
17 also children receiving early childhood special education programs
18 and services.

19 Sec. 25f. (1) From the state school aid fund money
20 appropriated in section 11, there is allocated an amount not to
21 exceed ~~\$2,000,000.00 for 2014-2015~~ **\$1,500,000.00 FOR 2015-2016** for
22 payments to strict discipline academies established under sections
23 1311b to 1311m of the revised school code, MCL 380.1311b to
24 380.1311m, as provided under this section and for the purposes
25 described in subsection (5).

26 (2) In order to receive funding under this section, a strict
27 discipline academy shall first comply with section 25e and use the

pupil transfer process under that section for changes in enrollment as prescribed under that section.

~~———— (3) Not later than June 30, 2015, a strict discipline academy shall report to the center and to the department, in a manner prescribed by the center and the department, the following information for 2014-2015:~~

~~———— (a) The number of pupils enrolled and in attendance at the strict discipline academy.~~

~~———— (b) The number of days each pupil enrolled was in attendance at the strict discipline academy, not to exceed 180.~~

~~———— (4) The amount of the payment to a strict discipline academy under this section shall be an amount equal to the difference between the product of 1/180 of the per pupil payment as calculated under section 20 for the strict discipline academy multiplied by the number of days of pupil attendance reported under subsection (3)(b) minus the product of the per pupil payment as calculated under section 20 for the strict discipline academy multiplied by the pupils in membership at the strict discipline academy as calculated under section 6 and as adjusted by section 25e.~~

(3) EXCEPT FOR THE AMOUNT PAID UNDER SUBSECTION (5), THE TOTAL AMOUNT ALLOCATED TO A STRICT DISCIPLINE ACADEMY UNDER THIS SECTION IS AN AMOUNT EQUAL TO THE LESSER OF THE STRICT DISCIPLINE ACADEMY'S ADDED COST OR THE DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION FOR THE STRICT DISCIPLINE ACADEMY. HOWEVER, THE SUM OF THE AMOUNTS RECEIVED BY A STRICT DISCIPLINE ACADEMY UNDER THIS SECTION AND UNDER SECTION 24 SHALL NOT EXCEED THE PRODUCT OF THE STRICT DISCIPLINE ACADEMY'S PER-PUPIL ALLOCATION CALCULATED UNDER SECTION

1 20 MULTIPLIED BY THE STRICT DISCIPLINE ACADEMY'S FULL-TIME EQUATED
2 MEMBERSHIP. THE DEPARTMENT SHALL ALLOCATE FUNDS TO STRICT
3 DISCIPLINE ACADEMIES UNDER THIS SECTION ON A MONTHLY BASIS. FOR THE
4 PURPOSES OF THIS SUBSECTION:

5 (A) "ADDED COST" MEANS 100% OF THE ADDED COST EACH FISCAL YEAR
6 FOR EDUCATING ALL PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE
7 AT A STRICT DISCIPLINE ACADEMY. ADDED COST SHALL BE COMPUTED BY
8 DEDUCTING ALL OTHER REVENUE RECEIVED UNDER THIS ARTICLE FOR PUPILS
9 DESCRIBED IN THIS SUBSECTION FROM TOTAL COSTS, AS APPROVED BY THE
10 DEPARTMENT, IN WHOLE OR IN PART, FOR EDUCATING THOSE PUPILS IN A
11 STRICT DISCIPLINE ACADEMY. THE DEPARTMENT SHALL INCLUDE ALL COSTS
12 INCLUDING, BUT NOT LIMITED TO, EDUCATIONAL COSTS, INSURANCE,
13 MANAGEMENT FEES, AUTHORIZER FEES, TECHNOLOGY COSTS, LEGAL FEES,
14 AUDITING FEES, INTEREST, PUPIL ACCOUNTING COSTS, AND ANY OTHER
15 ADMINISTRATIVE COSTS NECESSARY TO OPERATE THE PROGRAM OR TO COMPLY
16 WITH STATUTORY REQUIREMENTS. COSTS REIMBURSED BY FEDERAL FUNDS ARE
17 NOT INCLUDED.

18 (B) "DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION" FOR A STRICT
19 DISCIPLINE ACADEMY SHALL BE DETERMINED BY DIVIDING THE TOTAL AMOUNT
20 ALLOCATED UNDER THIS SUBSECTION FOR A FISCAL YEAR BY THE FULL-TIME
21 EQUATED MEMBERSHIP TOTAL FOR ALL PUPILS APPROVED BY THE DEPARTMENT
22 TO BE FUNDED UNDER THIS SUBSECTION FOR THAT FISCAL YEAR FOR THE
23 STRICT DISCIPLINE ACADEMY.

24 (4) SPECIAL EDUCATION PUPILS FUNDED UNDER SECTION 53A SHALL
25 NOT BE FUNDED UNDER THIS SECTION.

26 (5) If the operation of the special membership counting
27 provisions under section 6(4)(dd) and the other membership counting

provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be paid under this ~~section~~ **SUBSECTION** in an amount equal to that portion multiplied by the educating district's foundation allowance or per-pupil payment calculated under section 20.

(6) If the funds allocated under this section are insufficient to fully fund the adjustments under subsections ~~(4)~~ **(3)** and (5), payments under this section shall be prorated on an equal per-pupil basis.

(7) Payments to districts under this section shall be made according to the payment schedule under section 17b.

Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not to exceed \$26,300,000.00 for ~~2014-2015~~ **2015-2016** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2014-2015~~. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$4,210,000.00~~ **\$4,276,800.00** for payments to districts, intermediate districts, and community college districts for the portion of the

1 payment in lieu of taxes obligation that is attributable to
2 districts, intermediate districts, and community college districts
3 pursuant to section 2154 of the natural resources and environmental
4 protection act, 1994 PA 451, MCL 324.2154.

5 (2) If the amount appropriated under this section is not
6 sufficient to fully pay obligations under this section, payments
7 shall be prorated on an equal basis among all eligible districts,
8 intermediate districts, and community college districts.

9 Sec. 26c. (1) From the appropriation in section 11, there is
10 allocated an amount not to exceed ~~\$293,100.00 for 2014-2015~~
11 **\$610,000.00 FOR 2015-2016** to the promise zone fund created in
12 subsection (3).

13 (2) Funds allocated to the promise zone fund under this
14 section shall be used solely for payments to eligible districts and
15 intermediate districts that have a promise zone development plan
16 approved by the department of treasury under section 7 of the
17 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

18 (3) The promise zone fund is created as a separate account
19 within the state school aid fund to be used solely for the purposes
20 of the Michigan promise zone authority act, 2008 PA 549, MCL
21 390.1661 to 390.1679. All of the following apply to the promise
22 zone fund:

23 (a) The state treasurer shall direct the investment of the
24 promise zone fund. The state treasurer shall credit to the promise
25 zone fund interest and earnings from fund investments.

26 (b) Money in the promise zone fund at the close of a fiscal
27 year shall remain in the promise zone fund and shall not lapse to

1 the general fund.

2 (4) Subject to subsection (2), the state treasurer may make
3 payments from the promise zone fund to eligible districts and
4 intermediate districts pursuant to the Michigan promise zone
5 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
6 for the purposes of a promise zone authority created under that
7 act.

8 Sec. 31a. (1) From the state school aid fund money
9 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
10 ~~2016~~ an amount not to exceed ~~\$317,695,500.00~~ **\$417,695,500.00** for
11 payments to eligible districts, eligible public school academies,
12 and the education achievement system for the purposes of ensuring
13 that pupils are proficient in reading by the end of grade 3 and
14 that high school graduates are career and college ready and for the
15 purposes under subsections (6) and (7). **A DISTRICT THAT RECEIVES AN**
16 **INCREASE IN FUNDING UNDER THIS SECTION FROM 2014-2015 TO 2015-2016**
17 **AND THAT EDUCATES PUPILS IN GRADES K TO 3 SHALL ENSURE THAT AT**
18 **LEAST 50% OF THE TOTAL AMOUNT OF THAT INCREASED FUNDING IS SPENT**
19 **FOR THE PURPOSE OF ENSURING THAT PUPILS ARE PROFICIENT IN READING**
20 **BY THE END OF GRADE 3.**

21 (2) For a district or public school academy, or the education
22 achievement system, to be eligible to receive funding under this
23 section, other than funding under subsection (6) or (7), the sum of
24 the district's or public school academy's or the education
25 achievement system's combined state and local revenue per
26 membership pupil in the current state fiscal year, as calculated
27 under section 20, must be less than or equal to the basic

1 foundation allowance under section 20 for the current state fiscal
2 year.

3 (3) Except as otherwise provided in this subsection, an
4 eligible district or eligible public school academy or the
5 education achievement system shall receive under this section for
6 each membership pupil in the district or public school academy or
7 the education achievement system who met the income eligibility
8 criteria for free breakfast, lunch, or milk, as determined under
9 the Richard B. Russell national school lunch act, 42 USC 1751 to
10 1769, and as reported to the department in the form and manner
11 prescribed by the department not later than the fifth Wednesday
12 after the pupil membership count day of the immediately preceding
13 fiscal year and adjusted not later than December 31 of the
14 immediately preceding fiscal year, an amount per pupil equal to
15 11.5% of the sum of the district's foundation allowance or the
16 public school academy's or the education achievement system's per
17 pupil amount calculated under section 20, not to exceed the basic
18 foundation allowance under section 20 for the current state fiscal
19 year, or of the public school academy's or the education
20 achievement system's per membership pupil amount calculated under
21 section 20 for the current state fiscal year. However, a public
22 school academy that began operations as a public school academy, or
23 an achievement school that began operations as an achievement
24 school, after the pupil membership count day of the immediately
25 preceding school year shall receive under this section for each
26 membership pupil in the public school academy or in the education
27 achievement system who met the income eligibility criteria for free

1 breakfast, lunch, or milk, as determined under the Richard B.
2 Russell national school lunch act and as reported to the department
3 not later than the fifth Wednesday after the pupil membership count
4 day of the current fiscal year and adjusted not later than December
5 31 of the current fiscal year, an amount per pupil equal to 11.5%
6 of the public school academy's or the education achievement
7 system's per membership pupil amount calculated under section 20
8 for the current state fiscal year.

9 (4) Except as otherwise provided in this section, a district
10 or public school academy, or the education achievement system,
11 receiving funding under this section shall use that money only to
12 provide instructional programs and direct noninstructional
13 services, including, but not limited to, medical, mental health, or
14 counseling services, for at-risk pupils; for school health clinics;
15 and for the purposes of subsection (5), (6), (7), or (10). In
16 addition, a district that is a school district of the first class
17 or a district or public school academy in which at least 50% of the
18 pupils in membership met the income eligibility criteria for free
19 breakfast, lunch, or milk in the immediately preceding state fiscal
20 year, as determined and reported as described in subsection (3), or
21 the education achievement system if it meets this requirement, may
22 use not more than 20% of the funds it receives under this section
23 for school security. A district, the public school academy, or the
24 education achievement system shall not use any of that money for
25 administrative costs. The instruction or direct noninstructional
26 services provided under this section may be conducted before or
27 after regular school hours or by adding extra school days to the

1 school year.

2 (5) A district or public school academy that receives funds
3 under this section and that operates a school breakfast program
4 under section 1272a of the revised school code, MCL 380.1272a, or
5 the education achievement system if it operates a school breakfast
6 program, shall use from the funds received under this section an
7 amount, not to exceed \$10.00 per pupil for whom the district or
8 public school academy or the education achievement system receives
9 funds under this section, necessary to pay for costs associated
10 with the operation of the school breakfast program.

11 (6) From the funds allocated under subsection (1), there is
12 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
13 \$3,557,300.00 to support child and adolescent health centers. These
14 grants shall be awarded for 5 consecutive years beginning with
15 2003-2004 in a form and manner approved jointly by the department
16 and the department of community health. Each grant recipient shall
17 remain in compliance with the terms of the grant award or shall
18 forfeit the grant award for the duration of the 5-year period after
19 the noncompliance. To continue to receive funding for a child and
20 adolescent health center under this section a grant recipient shall
21 ensure that the child and adolescent health center has an advisory
22 committee and that at least one-third of the members of the
23 advisory committee are parents or legal guardians of school-aged
24 children. A child and adolescent health center program shall
25 recognize the role of a child's parents or legal guardian in the
26 physical and emotional well-being of the child. Funding under this
27 subsection shall be used to support child and adolescent health

1 center services provided to children up to age 21. If any funds
2 allocated under this subsection are not used for the purposes of
3 this subsection for the fiscal year in which they are allocated,
4 those unused funds shall be used that fiscal year to avoid or
5 minimize any proration that would otherwise be required under
6 subsection (14) for that fiscal year. **IN ADDITION TO THE FUNDS
7 OTHERWISE ALLOCATED UNDER THIS SUBSECTION, FROM THE MONEY ALLOCATED
8 IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
9 \$2,000,000.00 FOR 2015-2016 ONLY FOR CHILD AND ADOLESCENT HEALTH
10 CENTERS TO INCREASE ACCESS TO NURSES AND BEHAVIORAL HEALTH SERVICES
11 IN SCHOOLS, USING 2 EXISTING SCHOOL CLINICS AS HUBS FOR SERVICES
12 AND USING MOBILE TEAMS TO SERVE SATELLITE SCHOOL SITES.**

13 (7) From the funds allocated under subsection (1), there is
14 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
15 \$5,150,000.00 for the state portion of the hearing and vision
16 screenings as described in section 9301 of the public health code,
17 1978 PA 368, MCL 333.9301. A local public health department shall
18 pay at least 50% of the total cost of the screenings. The frequency
19 of the screenings shall be as required under R 325.13091 to R
20 325.13096 and R 325.3271 to R 325.3276 of the Michigan
21 administrative code. Funds shall be awarded in a form and manner
22 approved jointly by the department and the department of community
23 health. Notwithstanding section 17b, payments to eligible entities
24 under this subsection shall be paid on a schedule determined by the
25 department.

26 (8) Each district or public school academy receiving funds
27 under this section and the education achievement system shall

1 submit to the department by July 15 of each fiscal year a report,
2 not to exceed 10 pages, on the usage by the district or public
3 school academy or the education achievement system of funds under
4 this section, which report shall include a brief description of
5 each program conducted or services performed by the district or
6 public school academy or the education achievement system using
7 funds under this section, the amount of funds under this section
8 allocated to each of those programs or services, the total number
9 of at-risk pupils served by each of those programs or services, and
10 the data necessary for the department and the department of human
11 services to verify matching funds for the temporary assistance for
12 needy families program. If a district or public school academy or
13 the education achievement system does not comply with this
14 subsection, the department shall withhold an amount equal to the
15 August payment due under this section until the district or public
16 school academy or the education achievement system complies with
17 this subsection. If the district or public school academy or the
18 education achievement system does not comply with this subsection
19 by the end of the state fiscal year, the withheld funds shall be
20 forfeited to the school aid fund.

21 (9) In order to receive funds under this section, a district
22 or public school academy or the education achievement system shall
23 allow access for the department or the department's designee to
24 audit all records related to the program for which it receives
25 those funds. The district or public school academy or the education
26 achievement system shall reimburse the state for all disallowances
27 found in the audit.

1 (10) Subject to subsections (5), (6), and (7), a district may
2 use up to 100% of the funds it receives under this section to
3 implement schoolwide reform in schools with 40% or more of their
4 pupils identified as at-risk pupils by providing supplemental
5 instructional or noninstructional services consistent with the
6 school improvement plan.

7 (11) If necessary, and before any proration required under
8 section 296, the department shall prorate payments under this
9 section by reducing the amount of the per pupil payment under this
10 section by a dollar amount calculated by determining the amount by
11 which the amount necessary to fully fund the requirements of this
12 section exceeds the maximum amount allocated under this section and
13 then dividing that amount by the total statewide number of pupils
14 who met the income eligibility criteria for free breakfast, lunch,
15 or milk in the immediately preceding fiscal year, as described in
16 subsection (3).

17 (12) If a district is formed by consolidation after June 1,
18 1995, and if 1 or more of the original districts ~~was~~**WERE** not
19 eligible before the consolidation for an additional allowance under
20 this section, the amount of the additional allowance under this
21 section for the consolidated district shall be based on the number
22 of pupils described in subsection (1) enrolled in the consolidated
23 district who reside in the territory of an original district that
24 was eligible before the consolidation for an additional allowance
25 under this section. In addition, if a district is dissolved
26 pursuant to section 12 of the revised school code, MCL 380.12, the
27 intermediate district to which the dissolved school district was

1 constituent shall determine the estimated number of pupils that
 2 meet the income eligibility criteria for free breakfast, lunch, or
 3 milk, as described under subsection (3), enrolled in each of the
 4 other districts within the intermediate district and provide that
 5 estimate to the department for the purposes of distributing funds
 6 under this section within 60 days after the school district is
 7 declared dissolved.

8 (13) As used in this section, "at-risk pupil" means a pupil
 9 for whom the district has documentation that the pupil meets any of
 10 the following criteria:

11 (a) Is a victim of child abuse or neglect.

12 (b) Is a pregnant teenager or teenage parent.

13 (c) Has a family history of school failure, incarceration, or
 14 substance abuse.

15 (d) For pupils for whom the results of the ~~Michigan merit~~
 16 ~~examination~~ **STATE SUMMATIVE ASSESSMENT** have been received, is a
 17 pupil ~~who does not meet the other criteria under this subsection~~
 18 ~~but who did not achieve proficiency on the reading, writing,~~
 19 **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies
 20 ~~components of the most recent Michigan merit examination for which~~
 21 ~~results for the pupil have been received.~~ **CONTENT AREA ASSESSMENT.**

22 (e) ~~For pupils in grades K-3, is~~ **IS** a pupil who is at risk of
 23 not meeting the district's core academic curricular objectives in
 24 English language arts or mathematics, **AS DEMONSTRATED ON LOCAL**
 25 **ASSESSMENTS.**

26 (f) The pupil is enrolled in a priority or priority-successor
 27 school, as defined in the elementary and secondary education act of

2001 flexibility waiver approved by the United States ~~department of~~
~~education.~~ **DEPARTMENT OF EDUCATION.**

~~(g) The pupil did not achieve a score of at least proficient
on 2 or more state administered assessments for English language
arts, mathematics, science, or social studies.~~

~~(h) For high school pupils in grades not assessed by the
state, the pupil did not receive a satisfactory score on 2 or more
end of course examinations that are aligned with state standards in
English language arts, mathematics, science, or social studies. For
middle school pupils in grades not assessed by the state, the pupil
did not receive a satisfactory score on 2 or more end of semester
or end of trimester examinations that are aligned with state
standards in science or social studies. For pupils in the
elementary grades in grades and subjects not assessed by the state,
the pupil did not receive a satisfactory score or did not have a
satisfactory outcome on 2 or more interim assessments in English
language arts, mathematics, science, or social studies.~~

(G) ~~(i)~~—In the absence of state or local assessment data, the
pupil meets at least 2 of the following criteria, as documented in
a form and manner approved by the department:

(i) The pupil is eligible for free **OR REDUCED PRICE** breakfast,
lunch, or milk.

(ii) The pupil is absent more than 10% of enrolled days or 10
school days during the school year.

(iii) The pupil is homeless.

(iv) The pupil is a migrant.

(v) The pupil is an English language learner.

1 (vi) The pupil is an immigrant who has immigrated within the
2 immediately preceding 3 years.

3 (vii) The pupil did not complete high school in 4 years and is
4 still continuing in school as identified in the Michigan cohort
5 graduation and dropout report.

6 (14) ~~Beginning in 2014-2015, if~~ **IF** a district, public school
7 academy, or the education achievement system does not demonstrate
8 to the satisfaction of the department that at least 50% of at-risk
9 pupils are reading at grade level by the end of grade 3 as measured
10 by the state assessment and demonstrate to the satisfaction of the
11 department improvement over 3 consecutive years in the percentage
12 of at-risk pupils that are career- and college-ready as ~~measured by~~
13 ~~the pupil's score on each of the individual subject areas on the~~
14 ~~college entrance examination portion of the Michigan merit~~
15 ~~examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH LANGUAGE ARTS,**
16 **MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON THE GRADE 11**
17 **SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the revised
18 school code, MCL 380.1279g, the district, public school academy, or
19 education achievement system shall ensure all of the following:

20 (a) The district, public school academy, or the education
21 achievement system shall determine the proportion of total at-risk
22 pupils that represents the number of pupils in grade 3 that are not
23 reading at grade level by the end of grade 3, and the district,
24 public school academy, or the education achievement system shall
25 expend that same proportion multiplied by 1/2 of its total at-risk
26 funds under this section on tutoring and other methods of improving
27 grade 3 reading levels.

(b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on ~~each of the individual subject areas on the college entrance examination portion of the Michigan merit examination~~ **THE ENGLISH LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(15) As used in subsection (14), "total at risk pupils" means the sum of the number of pupils in grade 3 that are not reading at grade level by the end of third grade **AS MEASURED ON THE STATE ASSESSMENT** and the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on ~~each of the individual subject areas on the college entrance examination portion of the Michigan merit examination~~ **THE ENGLISH LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the revised school code, MCL 380.1279g.

(16) A district or public school academy that receives funds under this section or the education achievement system may use funds received under this section to provide an anti-bullying or

1 crisis intervention program.

2 (17) THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF
3 HEALTH AND HUMAN SERVICES TO PRIORITIZE ASSIGNING PATHWAYS TO
4 POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT HAVE A HIGH
5 PERCENTAGE OF PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE
6 LEVEL.

7 Sec. 31d. (1) From the appropriations in section 11, there is
8 allocated an amount not to exceed \$22,495,100.00 for ~~2014-2015~~
9 2015-2016 for the purpose of making payments to districts and other
10 eligible entities under this section.

11 (2) The amounts allocated from state sources under this
12 section shall be used to pay the amount necessary to reimburse
13 districts for 6.0127% of the necessary costs of the state mandated
14 portion of the school lunch programs provided by those districts.
15 The amount due to each district under this section shall be
16 computed by the department using the methods of calculation adopted
17 by the Michigan supreme court in the consolidated cases known as
18 Durant v State of Michigan, Michigan supreme court docket no.
19 104458-104492.

20 (3) The payments made under this section include all state
21 payments made to districts so that each district receives at least
22 6.0127% of the necessary costs of operating the state mandated
23 portion of the school lunch program in a fiscal year.

24 (4) The payments made under this section to districts and
25 other eligible entities that are not required under section 1272a
26 of the revised school code, MCL 380.1272a, to provide a school
27 lunch program shall be in an amount not to exceed \$10.00 per

1 eligible pupil plus 5 cents for each free lunch and 2 cents for
2 each reduced price lunch provided, as determined by the department.

3 (5) From the federal funds appropriated in section 11, there
4 is allocated for ~~2014-2015-2015-2016~~ all available federal funding,
5 estimated at \$510,000,000.00 for the national school lunch program
6 and all available federal funding, estimated at \$3,200,000.00 for
7 the emergency food assistance program.

8 (6) Notwithstanding section 17b, payments to eligible entities
9 other than districts under this section shall be paid on a schedule
10 determined by the department.

11 (7) In purchasing food for a school lunch program funded under
12 this section, preference shall be given to food that is grown or
13 produced by Michigan businesses if it is competitively priced and
14 of comparable quality.

15 Sec. 31f. (1) From the appropriations in section 11, there is
16 allocated an amount not to exceed \$5,625,000.00 for ~~2014-2015-2015-~~
17 ~~2016~~ for the purpose of making payments to districts to reimburse
18 for the cost of providing breakfast.

19 (2) The funds allocated under this section for school
20 breakfast programs shall be made available to all eligible
21 applicant districts that meet all of the following criteria:

22 (a) The district participates in the federal school breakfast
23 program and meets all standards as prescribed by 7 CFR parts 220
24 and 245.

25 (b) Each breakfast eligible for payment meets the federal
26 standards described in subdivision (a).

27 (3) The payment for a district under this section is at a per

1 meal rate equal to the lesser of the district's actual cost or 100%
2 of the statewide average cost of a breakfast served, as determined
3 and approved by the department, less federal reimbursement,
4 participant payments, and other state reimbursement. The statewide
5 average cost shall be determined by the department using costs as
6 reported in a manner approved by the department for the preceding
7 school year.

8 (4) Notwithstanding section 17b, payments under this section
9 may be made pursuant to an agreement with the department.

10 (5) In purchasing food for a school breakfast program funded
11 under this section, preference shall be given to food that is grown
12 or produced by Michigan businesses if it is competitively priced
13 and of comparable quality.

14 **SEC. 31H. FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS**
15 **ALLOCATED AN AMOUNT NOT TO EXCEED \$350,000.00 FOR 2015-2016 FOR THE**
16 **PURPOSE OF PROVIDING FUNDING TO A DISTRICT THAT EDUCATES HIGH**
17 **SCHOOL PUPILS FROM ANOTHER DISTRICT THAT VOLUNTARILY CLOSED ITS**
18 **HIGH SCHOOL PROGRAM IN 2013. THE FUNDING UNDER THIS SECTION IS**
19 **INTENDED TO BE FOR THE FIRST OF 2 YEARS, UNLESS IT IS DETERMINED**
20 **THAT THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT ALLOWS**
21 **FEDERAL TITLE I FUNDS THAT PREVIOUSLY SUPPORTED THE HIGH SCHOOL**
22 **PUPILS IN THEIR RESIDENT DISTRICT TO INSTEAD BE PROVIDED TO THE**
23 **EDUCATING DISTRICT. FUNDING UNDER THIS SECTION SHALL BE USED TO**
24 **SUPPORT THE ADDITIONAL COSTS OF EDUCATING HIGH SCHOOL PUPILS IN A**
25 **MANNER THAT IS SIMILAR TO THE WAY TITLE I FUNDS PROVIDED ADDITIONAL**
26 **SUPPORT TO THE EDUCATION OF THOSE PUPILS WHEN THEY WERE EDUCATED IN**
27 **THEIR RESIDENT DISTRICT HIGH SCHOOL PROGRAM BEFORE ITS CLOSURE IN**

1 2013.

2 Sec. 32d. (1) From the funds appropriated in section 11, there
3 is allocated to eligible intermediate districts and consortia of
4 intermediate districts for great start readiness programs an amount
5 not to exceed ~~\$214,275,000.00 for 2014-2015. In addition, from the~~
6 ~~funds appropriated in section 11, there is allocated to the great~~
7 ~~start readiness reserve fund created under subsection (19) an~~
8 ~~amount not to exceed \$25,000,000.00 for 2014-2015.~~ **\$239,275,000.00**
9 **FOR 2015-2016.** Funds allocated under this section for great start
10 readiness programs shall be used to provide part-day, school-day,
11 or GSRP/head start blended comprehensive free compensatory
12 classroom programs designed to improve the readiness and subsequent
13 achievement of educationally disadvantaged children who meet the
14 participant eligibility and prioritization guidelines as defined by
15 the department. For a child to be eligible to participate in a
16 program under this section, the child shall be at least 4, but less
17 than 5, years of age as of the date specified for determining a
18 child's eligibility to attend school under section 1147 of the
19 revised school code, MCL 380.1147. **HOWEVER, IF A PROGRAM WOULD**
20 **OTHERWISE HAVE TO RETURN FUNDING FOR SLOTS DUE TO INSUFFICIENT**
21 **CLASS SIZE, THE PROGRAM MAY ENROLL CHILDREN WHO ARE AT LEAST 3**
22 **YEARS OF AGE, AND WHO MEET THE INCOME ELIGIBILITY CRITERIA, IN**
23 **ADDITION TO THE ELIGIBLE CHILDREN WHO ARE AT LEAST 4, BUT LESS THAN**
24 **5, YEARS OF AGE.**

25 (2) Funds allocated under subsection (1) shall be allocated to
26 intermediate districts or consortia of intermediate districts based
27 on the formula in section 39. An intermediate district or

1 consortium of intermediate districts receiving funding under this
2 section shall act as the fiduciary for the great start readiness
3 programs. In order to be eligible to receive funds allocated under
4 this subsection from an intermediate district or consortium of
5 intermediate districts, a district, a consortium of districts, or a
6 public or private for-profit or nonprofit legal entity or agency
7 shall comply with this section and section 39.

8 (3) In addition to the allocation under subsection (1), from
9 the general fund money appropriated under section 11, there is
10 allocated an amount not to exceed \$300,000.00 for ~~2014-2015-2015-~~
11 **2016** for a competitive grant to continue a longitudinal evaluation
12 of children who have participated in great start readiness
13 programs.

14 (4) To be eligible for funding under this section, a program
15 shall prepare children for success in school through comprehensive
16 part-day, school-day, or GSRP/head start blended programs that
17 contain all of the following program components, as determined by
18 the department:

19 (a) Participation in a collaborative recruitment and
20 enrollment process to assure that each child is enrolled in the
21 program most appropriate to his or her needs and to maximize the
22 use of federal, state, and local funds.

23 (b) An age-appropriate educational curriculum that is in
24 compliance with the early childhood standards of quality for
25 prekindergarten children adopted by the state board.

26 (c) Nutritional services for all program participants
27 supported by federal, state, and local resources as applicable.

1 (d) Physical and dental health and developmental screening
2 services for all program participants.

3 (e) Referral services for families of program participants to
4 community social service agencies, including mental health
5 services, as appropriate.

6 (f) Active and continuous involvement of the parents or
7 guardians of the program participants.

8 (g) A plan to conduct and report annual great start readiness
9 program evaluations and continuous improvement plans using criteria
10 approved by the department.

11 (h) Participation in a school readiness advisory committee
12 convened as a workgroup of the great start collaborative that
13 provides for the involvement of classroom teachers, parents or
14 guardians of program participants, and community, volunteer, and
15 social service agencies and organizations, as appropriate. The
16 advisory committee annually shall review and make recommendations
17 regarding the program components listed in this subsection. The
18 advisory committee also shall make recommendations to the great
19 start collaborative regarding other community services designed to
20 improve all children's school readiness.

21 (i) The ongoing articulation of the kindergarten and first
22 grade programs offered by the program provider.

23 (j) Participation in this state's great start to quality
24 process with a rating of at least 3 stars.

25 (5) An application for funding under this section shall
26 provide for the following, in a form and manner determined by the
27 department:

1 (a) Ensure compliance with all program components described in
2 subsection (4).

3 (b) Except as otherwise provided in this subdivision, ensure
4 that at least 90% of the children participating in an eligible
5 great start readiness program for whom the intermediate district is
6 receiving funds under this section are children who live with
7 families with a household income that is equal to or less than 250%
8 of the federal poverty level. If the intermediate district
9 determines that all eligible children are being served and that
10 there are no children on the waiting list under section 39(1)(d)
11 who live with families with a household income that is equal to or
12 less than 250% of the federal poverty level, the intermediate
13 district may then enroll children who live with families with a
14 household income that is equal to or less than 300% of the federal
15 poverty level. The enrollment process shall consider income and
16 risk factors, such that children determined with higher need are
17 enrolled before children with lesser need. For purposes of this
18 subdivision, all age-eligible children served in foster care or who
19 are experiencing homelessness or who have individualized education
20 plans recommending placement in an inclusive preschool setting
21 shall be considered to live with families with household income
22 equal to or less than 250% of the federal poverty level regardless
23 of actual family income.

24 (c) Ensure that the applicant only uses qualified personnel
25 for this program, as follows:

26 (i) Teachers possessing proper training. A lead teacher must
27 have a valid teaching certificate with an early childhood (ZA or

1 ZS) endorsement or a bachelor's degree in child development or
2 early child development with specialization in preschool teaching.
3 However, if an applicant demonstrates to the department that it is
4 unable to fully comply with this subparagraph after making
5 reasonable efforts to comply, teachers who have significant but
6 incomplete training in early childhood education or child
7 development may be used if the applicant provides to the
8 department, and the department approves, a plan for each teacher to
9 come into compliance with the standards in this subparagraph. A
10 teacher's compliance plan must be completed within 2 years of the
11 date of employment. Progress toward completion of the compliance
12 plan shall consist of at least 2 courses per calendar year.

13 (ii) Paraprofessionals possessing proper training in early
14 childhood development, including an associate's degree in early
15 childhood education or child development or the equivalent, or a
16 child development associate (CDA) credential. However, if an
17 applicant demonstrates to the department that it is unable to fully
18 comply with this subparagraph after making reasonable efforts to
19 comply, the applicant may use paraprofessionals who have completed
20 at least 1 course that earns college credit in early childhood
21 education or child development if the applicant provides to the
22 department, and the department approves, a plan for each
23 paraprofessional to come into compliance with the standards in this
24 subparagraph. A paraprofessional's compliance plan must be
25 completed within 2 years of the date of employment. Progress toward
26 completion of the compliance plan shall consist of at least 2
27 courses or 60 clock hours of training per calendar year.

1 (d) Include a program budget that contains only those costs
2 that are not reimbursed or reimbursable by federal funding, that
3 are clearly and directly attributable to the great start readiness
4 program, and that would not be incurred if the program were not
5 being offered. Eligible costs include transportation costs. The
6 program budget shall indicate the extent to which these funds will
7 supplement other federal, state, local, or private funds. Funds
8 received under this section shall not be used to supplant any
9 federal funds received by the applicant to serve children eligible
10 for a federally funded preschool program that has the capacity to
11 serve those children.

12 (6) For a grant recipient that enrolls pupils in a school-day
13 program funded under this section, each child enrolled in the
14 school-day program shall be counted as 2 children served by the
15 program for purposes of determining the number of children to be
16 served and for determining the amount of the grant award. A grant
17 award shall not be increased solely on the basis of providing a
18 school-day program.

19 (7) For a grant recipient that enrolls pupils in a GSRP/head
20 start blended program, the grant recipient shall ensure that all
21 head start and GSRP policies and regulations are applied to the
22 blended slots, with adherence to the highest standard from either
23 program, to the extent allowable under federal law.

24 (8) An intermediate district or consortium of intermediate
25 districts receiving a grant under this section shall designate an
26 early childhood coordinator, and may provide services directly or
27 may contract with 1 or more districts or public or private for-

1 profit or nonprofit providers that meet all requirements of
2 subsection (4).

3 (9) Funds received under this section may be retained for
4 administrative services as follows:

5 (a) For the portion of the total grant amount for which
6 services are provided directly by an intermediate district or
7 consortium of intermediate districts, the intermediate district or
8 consortium of intermediate districts may retain an amount equal to
9 not more than 7% of that portion of the grant amount.

10 (b) For the portion of the total grant amount for which
11 services are contracted, the intermediate district or consortium of
12 intermediate districts receiving the grant may retain an amount
13 equal to not more than 2% of that portion of the grant amount and
14 the subrecipients engaged by the intermediate district to provide
15 program services may retain for administrative services an amount
16 equal to not more than 5% of that portion of the grant amount.

17 (10) An intermediate district or consortium of intermediate
18 districts may expend not more than 2% of the total grant amount for
19 outreach, recruiting, and public awareness of the program.

20 (11) Each grant recipient shall enroll children identified
21 under subsection (5)(b) according to how far the child's household
22 income is below 250% of the federal poverty level by ranking each
23 applicant child's household income from lowest to highest and
24 dividing the applicant children into quintiles based on how far the
25 child's household income is below 250% of the federal poverty
26 level, and then enrolling children in the quintile with the lowest
27 household income before enrolling children in the quintile with the

1 next lowest household income until slots are completely filled. If
2 the grant recipient determines that all eligible children are being
3 served and that there are no children on the waiting list under
4 section 39(1)(d) who live with families with a household income
5 that is equal to or less than 250% of the federal poverty level,
6 the grant recipient may then enroll children who live with families
7 with a household income that is equal to or less than 300% of the
8 federal poverty level. The enrollment process shall consider income
9 and risk factors, such that children determined with higher need
10 are enrolled before children with lesser need. For purposes of this
11 subdivision, all age-eligible children served in foster care or who
12 are experiencing homelessness or who have individualized education
13 plans recommending placement in an inclusive preschool setting
14 shall be considered to live with families with household income
15 equal to or less than 250% of the federal poverty level regardless
16 of actual family income.

17 (12) An intermediate district or consortium of intermediate
18 districts receiving a grant under this section shall allow parents
19 of eligible children who are residents of the intermediate district
20 or within the consortium to choose a program operated by or
21 contracted with another intermediate district or consortium of
22 intermediate districts and shall pay to the educating intermediate
23 district or consortium the per-child amount attributable to each
24 child enrolled pursuant to this sentence, as determined under
25 section 39.

26 (13) An intermediate district or consortium of intermediate
27 districts receiving a grant under this section shall conduct a

1 local process to contract with interested and eligible public and
2 private for-profit and nonprofit community-based providers that
3 meet all requirements of subsection (4) for at least 30% of its
4 total slot allocation. The intermediate district or consortium
5 shall report to the department, in a manner prescribed by the
6 department, a detailed list of community-based providers by
7 provider type, including private for-profit, private nonprofit,
8 community college or university, head start grantee or delegate,
9 and district or intermediate district, and the number and
10 proportion of its total slot allocation allocated to each provider
11 as subrecipient. If the intermediate district or consortium is not
12 able to contract for at least 30% of its total slot allocation, the
13 grant recipient shall notify the department and, if the department
14 verifies that the intermediate district or consortium attempted to
15 contract for at least 30% of its total slot allocation and was not
16 able to do so, then the intermediate district or consortium may
17 retain and use all of its allocated slots as provided under this
18 section. To be able to use this exemption, the intermediate
19 district or consortium shall demonstrate to the department that the
20 intermediate district or consortium increased the percentage of its
21 total slot allocation for which it contracts with a community-based
22 provider and the intermediate district or consortium shall submit
23 evidence satisfactory to the department, and the department must be
24 able to verify this evidence, demonstrating that the intermediate
25 district or consortium took measures to contract for at least 30%
26 of its total slot allocation as required under this subsection,
27 including, but not limited to, at least all of the following

1 measures:

2 (a) The intermediate district or consortium notified each
3 licensed child care center located in the service area of the
4 intermediate district or consortium at least twice regarding the
5 center's eligibility to participate. One of these notifications may
6 be made electronically, but at least 1 of these notifications shall
7 be made via hard copy through the United States mail. At least 1 of
8 these notifications shall be made within 7 days after the
9 intermediate district or consortium receives notice from the
10 department of its slot allocations.

11 (b) The intermediate district or consortium provided to each
12 licensed child care center located in the service area of the
13 intermediate district or consortium information regarding great
14 start readiness program requirements and a description of the
15 application and selection process for community-based providers.

16 (c) The intermediate district or consortium provided to the
17 public and to participating families a list of community-based
18 great start readiness program subrecipients with a great start to
19 quality rating of at least 3 stars.

20 (14) If an intermediate district or consortium of intermediate
21 districts receiving a grant under this section fails to submit
22 satisfactory evidence to demonstrate its effort to contract for at
23 least 30% of its total slot allocation, as required under
24 subsection (1), the department shall reduce the slots allocated to
25 the intermediate district or consortium by a percentage equal to
26 the difference between the percentage of an intermediate district's
27 or consortium's total slot allocation awarded to community-based

1 providers and 30% of its total slot allocation.

2 (15) In order to assist intermediate districts and consortia
3 in complying with the requirement to contract with community-based
4 providers for at least 30% of their total slot allocation, the
5 department shall do all of the following:

6 (a) Ensure that a great start resource center or the
7 department provides each intermediate district or consortium
8 receiving a grant under this section with the contact information
9 for each licensed child care center located in the service area of
10 the intermediate district or consortium by March 1 of each year.

11 (b) Provide, or ensure that an organization with which the
12 department contracts provides, a community-based provider with a
13 validated great start to quality rating within 90 days of the
14 provider's having submitted a request and self-assessment.

15 (c) Ensure that all intermediate district, district, community
16 college or university, head start grantee or delegate, private for-
17 profit, and private nonprofit providers are subject to a single
18 great start to quality rating system. The rating system shall
19 ensure that regulators process all prospective providers at the
20 same pace on a first-come, first-served basis and shall not allow 1
21 type of provider to receive a great start to quality rating ahead
22 of any other type of provider.

23 (d) Not later than November 1 of each year, compile the
24 results of the information reported by each intermediate district
25 or consortium under subsection (10) and report to the legislature a
26 list by intermediate district or consortium with the number and
27 percentage of each intermediate district's or consortium's total

1 slot allocation allocated to community-based providers by provider
2 type, including private for-profit, private nonprofit, community
3 college or university, head start grantee or delegate, and district
4 or intermediate district.

5 (16) A recipient of funds under this section shall report to
6 the department in a form and manner prescribed by the department
7 the number of children participating in the program who meet the
8 income eligibility criteria under subsection (5)(b) and the total
9 number of children participating in the program. For children
10 participating in the program who meet the income eligibility
11 criteria specified under subsection (5)(b), a recipient shall also
12 report whether or not a parent is available to provide care based
13 on employment status. For the purposes of this subsection,
14 "employment status" shall be defined by the department of human
15 services in a manner consistent with maximizing the amount of
16 spending that may be claimed for temporary assistance for needy
17 families maintenance of effort purposes.

18 (17) As used in this section:

19 (a) "GSRP/head start blended program" means a part-day program
20 funded under this section and a head start program, which are
21 combined for a school-day program.

22 (b) "Part-day program" means a program that operates at least
23 4 days per week, 30 weeks per year, for at least 3 hours of
24 teacher-child contact time per day but for fewer hours of teacher-
25 child contact time per day than a school-day program.

26 (c) "School-day program" means a program that operates for at
27 least the same length of day as a district's first grade program

1 for a minimum of 4 days per week, 30 weeks per year. A classroom
2 that offers a school-day program must enroll all children for the
3 school day to be considered a school-day program.

4 (18) An intermediate district or consortium of intermediate
5 districts receiving funds under this section shall establish a
6 sliding scale of tuition rates based upon household income for
7 children participating in an eligible great start readiness program
8 who live with families with a household income that is more than
9 250% of the federal poverty level to be used by all of its
10 providers, as approved by the department. A grant recipient shall
11 charge tuition according to that sliding scale of tuition rates on
12 a uniform basis for any child who does not meet the income
13 eligibility requirements under this section.

14 ~~—— (19) The great start readiness reserve fund is created as a~~
15 ~~separate account within the state school aid fund established by~~
16 ~~section 11 of article IX of the state constitution of 1963. Money~~
17 ~~available in the great start readiness reserve fund may not be~~
18 ~~expended for 2014-2015 unless transferred by the legislature not~~
19 ~~later than December 15, 2014 to the allocation under subsection (1)~~
20 ~~for great start readiness programs. Money in the great start~~
21 ~~readiness reserve fund shall be expended only for purposes for~~
22 ~~which state school aid fund money may be expended. The state~~
23 ~~treasurer shall direct the investment of the great start readiness~~
24 ~~reserve fund. The state treasurer shall credit to the great start~~
25 ~~readiness reserve fund interest and earnings from fund investments.~~
26 ~~Money in the great start readiness reserve fund at the close of a~~
27 ~~fiscal year shall remain in the great start readiness reserve fund~~

~~and shall not lapse to the unreserved school aid fund balance or the general fund.~~

(19) ~~(20)~~ From the amount appropriated in subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, ~~2014,~~ **2015**, a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection shall be the lesser of the projected transportation budget or \$150.00 multiplied by the number of slots funded for the program under this section. If the amount allocated under this subsection is insufficient to fully reimburse the transportation costs for all programs that provide transportation and submit the required information, the reimbursement shall be prorated in an equal amount per slot funded. Payments shall be made to the intermediate district that is the fiscal agent for each program, and the intermediate district shall then reimburse the program provider for transportation costs as prescribed under this subsection.

Sec. 32p. (1) From the school aid fund appropriation in section 11, there is allocated an amount not to exceed ~~\$10,900,000.00~~ **\$15,900,000.00** to intermediate districts for ~~2014-~~ **2015-2015-2016** for the purpose of providing early childhood funding to intermediate school districts ~~in block grants, supporting TO~~

1 **SUPPORT** the activities under subsection (2) **AND SUBSECTION (4)**, and
2 ~~providing~~ **TO PROVIDE** early childhood programs for children from
3 birth through age 8. The funding provided to each intermediate
4 district under this section shall be determined by the distribution
5 formula established by the department's office of great start to
6 provide equitable funding statewide. In order to receive funding
7 under this section, each intermediate district shall provide an
8 application to the office of great start not later than September
9 15 of the immediately preceding fiscal year indicating the
10 activities planned to be provided.

11 (2) Each intermediate district or consortium of intermediate
12 districts that receives funding under this section shall convene a
13 local great start collaborative and a parent coalition. The goal of
14 each great start collaborative and parent coalition shall be to
15 ensure the coordination and expansion of local early childhood
16 infrastructure and programs that allow every child in the community
17 to achieve the following outcomes:

18 (a) Children born healthy.

19 (b) Children healthy, thriving, and developmentally on track
20 from birth to third grade.

21 (c) Children developmentally ready to succeed in school at the
22 time of school entry.

23 (d) Children prepared to succeed in fourth grade and beyond by
24 reading proficiently by the end of third grade.

25 (3) Each local great start collaborative and parent coalition
26 shall convene workgroups to make recommendations about community
27 services designed to achieve the outcomes described in subsection

1 (2) and to ensure that its local great start system includes the
2 following supports for children from birth through age 8:

- 3 (a) Physical health.
- 4 (b) Social-emotional health.
- 5 (c) Family supports and basic needs.
- 6 (d) Parent education and child advocacy.
- 7 (e) Early education and care.

8 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), AT LEAST
9 \$5,000,000.00 SHALL BE USED FOR THE PURPOSE OF PROVIDING HOME
10 VISITS TO AT-RISK CHILDREN AND THEIR FAMILIES. THE HOME VISITS
11 SHALL BE CONDUCTED AS PART OF A LOCALLY COORDINATED, FAMILY-
12 CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN
13 THAT IS APPROVED BY THE DEPARTMENT. THE GOALS OF THE HOME VISITS
14 FUNDED UNDER THIS SUBSECTION SHALL BE TO IMPROVE SCHOOL READINESS,
15 REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND REDUCE THE
16 NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE
17 DEPARTMENT SHALL COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC
18 PLANS APPROVED UNDER THIS SUBSECTION WITH OTHER STATE AGENCY HOME
19 VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME VISITING
20 INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE
21 PURPOSES OF AT-RISK FAMILY HOME VISITS.

22 (5) ~~(4)~~ Not later than December 1 of each year, each
23 intermediate district shall provide a report to the department
24 detailing the activities actually provided during the immediately
25 preceding school year and the families and children actually
26 served. AT A MINIMUM, THE REPORT SHALL INCLUDE AN EVALUATION OF THE
27 SERVICES PROVIDED WITH ADDITIONAL FUNDING UNDER SUBSECTION (4) FOR

1 HOME VISITS, USING THE GOALS IDENTIFIED IN SUBSECTION (4) AS THE
2 BASIS FOR THE EVALUATION, INCLUDING THE DEGREE TO WHICH SCHOOL
3 READINESS WAS IMPROVED, ANY CHANGE IN THE NUMBER OF PUPILS RETAINED
4 AT GRADE LEVEL, AND ANY CHANGE IN THE NUMBER OF PUPILS RECEIVING
5 SPECIAL EDUCATION SERVICES. The department shall compile and
6 summarize these reports and submit its summary to the house and
7 senate appropriations subcommittees on school aid and to the house
8 and senate fiscal agencies not later than February 15 of each year.

9 (6) ~~(5)~~—An intermediate district or consortium of intermediate
10 districts that receives funding under this section may carry over
11 any unexpended funds received under this section into the next
12 fiscal year and may expend those unused funds through June 30 of
13 the next fiscal year. A recipient of a grant shall return any
14 unexpended grant funds to the department in the manner prescribed
15 by the department not later than September 30 of the next fiscal
16 year after the fiscal year in which the funds are received.

17 SEC. 35. (1) THE FUNDS ALLOCATED UNDER SECTIONS 35A TO 35G
18 SHALL BE USED FOR PROGRAMS TO ENSURE CHILDREN ARE READING AT GRADE
19 LEVEL BY THE END OF GRADE 3. THE SUPERINTENDENT SHALL DESIGNATE
20 STAFF OR CONTRACTED EMPLOYEES FUNDED UNDER THESE SECTIONS AS
21 CRITICAL SHORTAGE. PROGRAMS FUNDED UNDER THESE SECTIONS ARE
22 INTENDED TO ENSURE THAT THIS STATE WILL BE IN THE TOP 10 MOST
23 IMPROVED STATES IN GRADE 4 READING PROFICIENCY BY THE 2019 NATIONAL
24 ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10
25 STATES OVERALL BY 2025.

26 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE
27 IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED

1 \$1,000,000.00 FOR 2015-2016 FOR IMPLEMENTATION COSTS ASSOCIATED
2 WITH PROGRAMS IN SECTIONS 35A TO 35G.

3 (3) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (2), THERE IS
4 ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR THE PURPOSE OF
5 PERFORMING AN EVALUATION OF THE PILOT PROGRAMS UNDER SECTION 35A IN
6 A MANNER APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL
7 INCLUDE AT LEAST THE FOLLOWING:

8 (A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT
9 WERE EFFECTIVE IN HELPING PARENTS PREPARE THEIR CHILDREN FOR
10 SUCCESS IN SCHOOL.

11 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR
12 CHILDREN ENCOUNTERED THAT PRECLUDED THEM FROM PARTICIPATING IN THE
13 PILOT PROGRAMS.

14 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE
15 EXPANDED TO OTHER LOCATIONS IN THE STATE.

16 SEC. 35A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
17 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR
18 THE PURPOSE OF CONDUCTING PARENT EDUCATION PILOT PROGRAMS FOR
19 PARENTS OF CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE
20 DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL
21 ENTRY.

22 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION
23 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE
24 PROVISIONS OF THIS SECTION. THE AMOUNT OF A GRANT AWARD TO A PILOT
25 PROGRAM SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF RESIDENT CHILDREN
26 YOUNGER THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR
27 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION

1 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147, IN THE DISTRICT OR
2 CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM MULTIPLIED BY \$120.00
3 PER CHILD OR \$130,000.00, WHICHEVER IS LESS. THE DEPARTMENT SHALL
4 ENSURE THAT GRANTS ARE AWARDED IN EACH PROSPERITY REGION OR
5 SUBREGION.

6 (3) AN APPLICATION FOR A COMPETITIVE GRANT UNDER THIS SECTION
7 SHALL BE SUBMITTED BY AN INTERMEDIATE DISTRICT ON BEHALF OF A
8 DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE
9 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER
10 APPROVED BY THE DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING
11 COMPONENTS:

12 (A) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF
13 THE DISTRICT OR CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE
14 PROGRAM, THE PHYSICAL LOCATION OF THE PROGRAM, AND THE ANTICIPATED
15 NUMBER OF FAMILIES THAT WILL BE SERVED.

16 (B) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A
17 TEACHER WHO HAS A VALID TEACHING CERTIFICATE WITH AN EARLY
18 CHILDHOOD (ZA OR ZS) ENDORSEMENT, A VALID TEACHING CERTIFICATE IN
19 CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT, A BACHELOR'S
20 DEGREE IN CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT, OR A
21 BACHELOR'S DEGREE RELATED TO ADULT LEARNING.

22 (C) AN ESTIMATE OF THE NUMBER OF FAMILIES IN THE DISTRICT OR
23 DISTRICTS THAT WILL OPERATE THE PILOT PROGRAM THAT HAVE AT LEAST 1
24 CHILD LESS THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR
25 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION
26 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

27 (D) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH EFFORTS

1 THAT WILL BE MADE.

2 (E) AN ASSURANCE THAT THE INTERMEDIATE DISTRICT AND THE
3 DISTRICT OR CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM WILL
4 PROVIDE INFORMATION IN A FORM AND MANNER AS APPROVED BY THE
5 DEPARTMENT TO ALLOW FOR AN EVALUATION OF THE PILOT PROJECTS.

6 (F) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE
7 ESTABLISHED FOR TUITION, WITH FEES REDUCED OR WAIVED FOR THOSE
8 UNABLE TO PAY.

9 (G) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE THAN
10 5% OF A GRANT TO ADMINISTER THE PROGRAM.

11 (4) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A PROGRAM
12 SHALL PROVIDE AT LEAST 2 HOURS PER WEEK THROUGHOUT THE SCHOOL YEAR
13 FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE IN PARENT
14 EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING MINIMUM
15 REQUIREMENTS:

16 (A) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH
17 THEIR CHILDREN OR BE IN CONCURRENT CLASSES.

18 (B) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT
19 THE PHYSICAL, COGNITIVE, SOCIAL, AND EMOTIONAL DEVELOPMENT OF
20 CHILDREN.

21 (C) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING
22 INTERACTION BETWEEN CHILDREN AND THEIR PARENTS.

23 (D) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT
24 PROMOTE POSITIVE INTERACTION WITH THEIR PEERS.

25 (5) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM
26 UNDER THIS SECTION, THE CHILD SHALL BE LESS THAN 4 YEARS OF AGE AS
27 OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO

1 ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL
2 380.1147.

3 SEC. 35B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
4 ALLOCATED AN AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR THE
5 PURPOSES OF THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF 2
6 YEARS OF FUNDING FOR THE PURPOSES OF THIS SECTION.

7 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT
8 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED
9 RESEARCH-BASED TRAINING PROGRAM RELATED TO CURRENT STATE LITERACY
10 STANDARDS FOR PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL
11 DETERMINE THE AMOUNT OF THE GRANT AWARDS.

12 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT
13 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN
14 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
15 OF PUPILS IN GRADES K TO 3.

16 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
17 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED
18 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
19 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
20 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE
21 WORK PROJECT IS SEPTEMBER 30, 2017.

22 SEC. 35D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
23 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR
24 GRANTS UNDER THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF
25 2 YEARS OF FUNDING.

26 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO
27 ADMINISTER DEPARTMENT-APPROVED DIAGNOSTIC TOOLS TO MONITOR THE

1 DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF PUPILS IN
2 GRADES K TO 3 AND TO SUPPORT RESEARCH-BASED PROFESSIONAL
3 DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION FOR THE PURPOSE OF
4 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE READING
5 PROFICIENCY AMONG PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL
6 AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT DETERMINED BY THE
7 DEPARTMENT.

8 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT
9 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN
10 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
11 OF PUPILS IN GRADES K TO 3.

12 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
13 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED
14 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
15 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
16 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE
17 WORK PROJECT IS SEPTEMBER 30, 2017.

18 SEC. 35E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
19 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF
20 PROVIDING EARLY LITERACY COACHES TO ASSIST TEACHERS IN DEVELOPING
21 AND IMPLEMENTING INSTRUCTIONAL STRATEGIES FOR PUPILS IN GRADES K TO
22 3 SO THAT PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3.

23 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION
24 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE
25 PROVISIONS OF THIS SECTION. THE GRANT PROCESS SHALL ENSURE THAT
26 INTERMEDIATE DISTRICTS WITH THE HIGHEST PERCENTAGE OF PUPILS IN
27 GRADE 4 IN CONSTITUENT DISTRICTS WHO ARE NOT PROFICIENT ON THE

1 GRADE 4 STATE READING ASSESSMENT RECEIVE EXTRA CONSIDERATION IN THE
2 AWARDING OF GRANTS.

3 (3) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, A
4 CONSORTIUM OF INTERMEDIATE DISTRICTS IN A PROSPERITY REGION OR
5 SUBREGION SHALL SUBMIT A COMPETITIVE GRANT APPLICATION IN A FORM
6 AND MANNER APPROVED BY THE DEPARTMENT. AN APPLICATION SHALL PROVIDE
7 ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS SECTION ARE
8 KNOWLEDGEABLE ABOUT AT LEAST THE FOLLOWING:

9 (A) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN GRADES K TO
10 3.

11 (B) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON
12 FREQUENT USE OF FORMATIVE AND DIAGNOSTIC TOOLS, KNOWN AS A MULTI-
13 TIERED SYSTEM OF SUPPORT, TO DETERMINE INDIVIDUAL PROGRESS FOR
14 PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING AT GRADE LEVEL
15 BY THE END OF GRADE 3.

16 (C) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE
17 NECESSARY ADDITIONAL SUPPORTS AND INTERVENTIONS NEEDED BY
18 INDIVIDUAL PUPILS IN GRADES K TO 3 IN ORDER TO BE READING AT GRADE
19 LEVEL.

20 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
21 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED
22 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
23 CONTINUE TO PROVIDE EARLY LITERACY COACHES AS DESCRIBED IN THIS
24 SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS
25 SEPTEMBER 30, 2017.

26 SEC. 35F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
27 ALLOCATED AN AMOUNT NOT TO EXCEED \$19,650,000.00 FROM THE STATE

1 SCHOOL AID FUND MONEY AND \$350,000.00 FROM THE GENERAL FUND MONEY
2 FOR 2015-2016 TO DISTRICTS THAT PROVIDE ADDITIONAL INSTRUCTIONAL
3 TIME TO THOSE PUPILS IN GRADES K TO 3 WHO HAVE BEEN IDENTIFIED BY
4 USING DEPARTMENT-APPROVED DIAGNOSTIC TOOLS AS NEEDING ADDITIONAL
5 SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT GRADE LEVEL BY
6 THE END OF GRADE 3, AND FOR THE PURPOSES IDENTIFIED IN SUBSECTION
7 (4). ADDITIONAL INSTRUCTIONAL TIME MAY BE PROVIDED BEFORE, DURING,
8 AND AFTER REGULAR SCHOOL HOURS OR AS PART OF A YEAR-ROUND BALANCED
9 SCHOOL CALENDAR.

10 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS
11 SECTION, A DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE
12 DEPARTMENT THAT THE DISTRICT HAS DONE ALL OF THE FOLLOWING:

13 (A) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL
14 DELIVERY MODEL.

15 (B) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS
16 TO IDENTIFY INDIVIDUAL PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL
17 TIME.

18 (C) PROVIDED TEACHERS OF PUPILS IN GRADES K TO 3 WITH
19 RESEARCH-BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA
20 INTERPRETATION.

21 (3) FUNDING ALLOCATED UNDER THIS SECTION FROM THE STATE SCHOOL
22 AID FUND SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS BY MULTIPLYING
23 THE NUMBER OF FULL-TIME-EQUIVALENT PUPILS IN GRADE 1 IN THE
24 DISTRICT BY \$190.00.

25 (4) FROM THE GENERAL FUND MONEY APPROPRIATED IN SUBSECTION
26 (1), THE DEPARTMENT SHALL ALLOCATE NOT LESS THAN \$350,000.00 FOR
27 2015-2016 TO THE MICHIGAN EDUCATION CORPS.

1 (5) THE MICHIGAN EDUCATION CORPS SHALL PROVIDE A REPORT BY
2 AUGUST 1, 2016 TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES
3 ON STATE SCHOOL AID, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE
4 SENATE AND HOUSE CAUCUS POLICY OFFICES ON OUTCOMES AND PERFORMANCE
5 MEASURES OF THE MICHIGAN EDUCATION CORPS, INCLUDING, BUT NOT
6 LIMITED TO, THE DEGREE TO WHICH THE MICHIGAN EDUCATION CORPS'S
7 REPLICATION OF THE MICHIGAN READING CORPS PROGRAM IS DEMONSTRATING
8 SUFFICIENT EFFICACY AND IMPACT. THE REPORT MUST INCLUDE DATA
9 PERTAINING TO AT LEAST ALL OF THE FOLLOWING:

10 (A) THE CURRENT IMPACT OF THE MICHIGAN READING CORPS ON THIS
11 STATE IN TERMS OF NUMBERS OF CHILDREN AND PROGRAMS RECEIVING
12 SUPPORT. THIS PORTION OF THE REPORT SHALL SPECIFY THE NUMBER OF
13 CHILDREN TUTORED, INCLUDING DOSAGE AND COMPLETION, AND THE
14 DEMOGRAPHICS OF THOSE CHILDREN.

15 (B) WHETHER THE ASSESSMENTS AND INTERVENTIONS ARE IMPLEMENTED
16 WITH FIDELITY. THIS PORTION OF THE REPORT SHALL INCLUDE DETAILS ON
17 THE TOTAL NUMBER OF ASSESSMENTS AND INTERVENTIONS COMPLETED AND THE
18 RANGE, MEDIAN, MEAN, AND STANDARD DEVIATION FOR ALL ASSESSMENTS.

19 (C) WHETHER THE LITERACY IMPROVEMENT OF CHILDREN PARTICIPATING
20 IN THE MICHIGAN READING CORPS IS CONSISTENT WITH EXPECTATIONS. THIS
21 PORTION OF THE REPORT SHALL DETAIL AT LEAST ALL OF THE FOLLOWING:

22 (i) GROWTH RATE BY GRADE LEVEL, IN COMPARISON TO TARGETED
23 GROWTH RATE.

24 (ii) AVERAGE LINEAR GROWTH RATES.

25 (iii) EXIT RATES.

26 (iv) PERCENTAGE OF CHILDREN WHO EXIT WHO ALSO MEET OR EXCEED
27 SPRING BENCHMARKS.

1 (D) THE IMPACT OF THE MICHIGAN READING CORPS ON ORGANIZATIONS
2 AND STAKEHOLDERS, INCLUDING, BUT NOT LIMITED TO, SCHOOL
3 ADMINISTRATORS, INTERNAL COACHES, AND AMERICORPS MEMBERS.

4 (6) IF THE DEPARTMENT DETERMINES THAT THE MICHIGAN EDUCATION
5 CORPS HAS MISUSED THE FUNDS ALLOCATED IN SUBSECTION (4), THE
6 MICHIGAN EDUCATION CORPS SHALL REIMBURSE THIS STATE FOR THE AMOUNT
7 OF STATE FUNDING MISUSED.

8 (7) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
9 TO FULLY FUND THE PAYMENTS UNDER THIS SECTION, PAYMENTS UNDER THIS
10 SECTION SHALL BE PRORATED ON AN EQUAL PER-PUPIL BASIS BASED ON
11 GRADE 1 PUPILS.

12 Sec. 39. (1) An eligible applicant receiving funds under
13 section 32d shall submit an application, in a form and manner
14 prescribed by the department, by a date specified by the department
15 in the immediately preceding state fiscal year. The application
16 shall include a comprehensive needs assessment using aggregated
17 data from the applicant's entire service area and a community
18 collaboration plan that is endorsed by the local great start
19 collaborative and is part of the community's great start strategic
20 plan that includes, but is not limited to, great start readiness
21 program and head start providers, and shall identify all of the
22 following:

23 (a) The estimated total number of children in the community
24 who meet the criteria of section 32d and how that calculation was
25 made.

26 (b) The estimated number of children in the community who meet
27 the criteria of section 32d and are being served by other early

1 childhood development programs operating in the community, and how
2 that calculation was made.

3 (c) The number of children the applicant will be able to serve
4 who meet the criteria of section 32d including a verification of
5 physical facility and staff resources capacity.

6 (d) The estimated number of children who meet the criteria of
7 section 32d who will remain unserved after the applicant and
8 community early childhood programs have met their funded
9 enrollments. The applicant shall maintain a waiting list of
10 identified unserved eligible children who would be served when
11 openings are available.

12 (2) After notification of funding allocations, an applicant
13 receiving funds under section 32d shall also submit an
14 implementation plan for approval, in a form and manner prescribed
15 by the department, by a date specified by the department, that
16 details how the applicant complies with the program components
17 established by the department pursuant to section 32d.

18 (3) The number of prekindergarten children construed to be in
19 need of special readiness assistance under section 32d shall be
20 calculated for each applicant in the following manner: 1/2 of the
21 percentage of the applicant's pupils in grades 1 to 5 in all
22 districts served by the applicant who are eligible for free lunch,
23 as determined using the district's pupil membership count as of the
24 pupil membership count day in the school year prior to the fiscal
25 year for which the calculation is made, under the Richard B.
26 Russell national school lunch act, 42 USC 1751 to 1769i, shall be
27 multiplied by the average kindergarten enrollment of the districts

1 served by the applicant on the pupil membership count day of the 2
2 immediately preceding fiscal years.

3 (4) The initial allocation for each fiscal year to each
4 eligible applicant under section 32d shall be determined by
5 multiplying the number of children determined by the formula under
6 subsection (3) or the number of children the applicant indicates it
7 will be able to serve under subsection (1)(c), whichever is less,
8 by \$3,625.00 and shall be distributed among applicants in
9 decreasing order of concentration of eligible children as
10 determined by the formula under subsection (3). If the number of
11 children an applicant indicates it will be able to serve under
12 subsection (1)(c) includes children able to be served in a school-
13 day program, then the number able to be served in a school-day
14 program shall be doubled for the purposes of making this
15 calculation of the lesser of the number of children determined by
16 the formula under subsection (3) and the number of children the
17 applicant indicates it will be able to serve under subsection
18 (1)(c) and determining the amount of the initial allocation to the
19 applicant under section 32d. A district may contract with a head
20 start agency to serve children enrolled in head start with a
21 school-day program by blending head start funds with a part-day
22 great start readiness program allocation. All head start and great
23 start readiness program policies and regulations apply to the
24 blended program.

25 (5) If funds allocated for eligible applicants ~~or to the great~~
26 ~~start readiness reserve fund~~ under section 32d remain after the
27 initial allocation under subsection (4), the allocation under this

1 subsection shall be distributed to each eligible applicant under
2 section 32d in decreasing order of concentration of eligible
3 children as determined by the formula under subsection (3). The
4 allocation shall be determined by multiplying the number of
5 children **IN** each district within the applicant's service area
6 served in the immediately preceding fiscal year or the number of
7 children the applicant indicates it will be able to serve under
8 subsection (1)(c), whichever is less, minus the number of children
9 for which the applicant received funding in subsection (4) by
10 \$3,625.00.

11 (6) If funds allocated for eligible applicants ~~or to the great~~
12 ~~start readiness reserve fund~~ under section 32d remain after the
13 allocations under subsections (4) and (5), remaining funds shall be
14 distributed to each eligible applicant under section 32d in
15 decreasing order of concentration of eligible children as
16 determined by the formula under subsection (3). If the number of
17 children the applicant indicates it will be able to serve under
18 subsection (1)(c) exceeds the number of children for which funds
19 have been received under subsections (4) and (5), the allocation
20 under this subsection shall be determined by multiplying the number
21 of children the applicant indicates it will be able to serve under
22 subsection (1)(c) less the number of children for which funds have
23 been received under subsections (4) and (5) by \$3,625.00 until the
24 funds allocated for eligible applicants in section 32d are
25 distributed.

26 (7) An applicant that offers supplementary child care funded
27 by funds other than those received under section 32d and therefore

1 offers full-day programs as part of its early childhood development
2 program shall receive priority in the allocation of funds under
3 section 32d over other eligible applicants. As used in this
4 subsection, "full-day program" means a program that provides
5 supplementary child care that totals at least 10 hours of
6 programming per day.

7 (8) If, taking into account the total amount to be allocated
8 to the applicant as calculated under this section, an applicant
9 determines that it is able to include additional eligible children
10 in the great start readiness program without additional funds under
11 section 32d, the applicant may include additional eligible children
12 but shall not receive additional funding under section 32d for
13 those children.

14 Sec. 39a. (1) From the federal funds appropriated in section
15 11, there is allocated for ~~2014-2015~~**2015-2016** to districts,
16 intermediate districts, and other eligible entities all available
17 federal funding, estimated at ~~\$807,969,900.00~~**\$779,076,400.00** for
18 the federal programs under the no child left behind act of 2001,
19 Public Law 107-110. These funds are allocated as follows:

20 (a) An amount estimated at ~~\$8,000,000.00~~**\$5,000,000.00** to
21 provide students with drug- and violence-prevention programs and to
22 implement strategies to improve school safety, funded from DED-
23 OESE, drug-free schools and communities funds.

24 (b) An amount estimated at \$111,111,900.00 for the purpose of
25 preparing, training, and recruiting high-quality teachers and class
26 size reduction, funded from DED-OESE, improving teacher quality
27 funds.

1 (c) An amount estimated at \$12,200,000.00 for programs to
2 teach English to limited English proficient (LEP) children, funded
3 from DED-OESE, language acquisition state grant funds.

4 (d) An amount estimated at \$10,286,500.00 for the Michigan
5 charter school subgrant program, funded from DED-OESE, charter
6 school funds.

7 (e) An amount estimated at ~~\$2,393,500.00~~ **\$3,000,000.00** for
8 rural and low income schools, funded from DED-OESE, rural and low
9 income school funds.

10 (f) An amount estimated at ~~\$591,500,000.00~~ **\$565,000,000.00** to
11 provide supplemental programs to enable educationally disadvantaged
12 children to meet challenging academic standards, funded from DED-
13 OESE, title I, disadvantaged children funds.

14 (g) An amount estimated at \$8,878,000.00 for the purpose of
15 identifying and serving migrant children, funded from DED-OESE,
16 title I, migrant education funds.

17 (h) An amount estimated at \$39,000,000.00 for the purpose of
18 providing high-quality extended learning opportunities, after
19 school and during the summer, for children in low-performing
20 schools, funded from DED-OESE, twenty-first century community
21 learning center funds.

22 (i) An amount estimated at \$24,600,000.00 to help support
23 local school improvement efforts, funded from DED-OESE, title I,
24 local school improvement grants.

25 (2) From the federal funds appropriated in section 11, there
26 is allocated for ~~2014-2015~~ **2015-2016** to districts, intermediate
27 districts, and other eligible entities all available federal

1 funding, estimated at ~~\$31,300,000.00~~ **\$30,800,000.00** for the
2 following programs that are funded by federal grants:

3 (a) An amount estimated at \$200,000.00 for acquired
4 immunodeficiency syndrome education grants, funded from HHS -
5 ~~center for disease control,~~ **CENTERS FOR DISEASE CONTROL AND**
6 **PREVENTION**, AIDS funding.

7 (b) An amount estimated at \$2,600,000.00 to provide services
8 to homeless children and youth, funded from DED-OVAE, homeless
9 children and youth funds.

10 (C) **AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL**
11 **HEALTH, SUBSTANCE ABUSE, OR VIOLENCE PREVENTION SERVICES TO**
12 **STUDENTS, FUNDED FROM HHS-SAMHSA.**

13 (D) ~~(c)~~ An amount estimated at ~~\$28,500,000.00~~ **\$24,000,000.00**
14 for providing career and technical education services to pupils,
15 funded from DED-OVAE, basic grants to states.

16 (3) All federal funds allocated under this section shall be
17 distributed in accordance with federal law and with flexibility
18 provisions outlined in Public Law 107-116, and in the education
19 flexibility partnership act of 1999, Public Law 106-25.
20 Notwithstanding section 17b, payments of federal funds to
21 districts, intermediate districts, and other eligible entities
22 under this section shall be paid on a schedule determined by the
23 department.

24 (4) For the purposes of applying for federal grants
25 appropriated under this article, the department shall allow an
26 intermediate district to submit a consortium application on behalf
27 of 2 or more districts with the agreement of those districts as

1 appropriate according to federal rules and guidelines.

2 (5) As used in this section:

3 (a) "DED" means the United States ~~department of~~
4 ~~education.~~ **DEPARTMENT OF EDUCATION.**

5 (b) "DED-OESE" means the DED ~~office of elementary and~~
6 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

7 (c) "DED-OVAE" means the DED ~~office of vocational and adult~~
8 ~~education.~~ **OFFICE OF VOCATIONAL AND ADULT EDUCATION.**

9 (d) "HHS" means the United States ~~department of health and~~
10 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

11 ~~—— (e) "HHS ACF" means the HHS administration for children and~~
12 ~~families.~~

13 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL**
14 **HEALTH SERVICES ADMINISTRATION.**

15 Sec. 41. From the appropriation in section 11, there is
16 allocated an amount not to exceed \$1,200,000.00 ~~each fiscal year~~
17 ~~for 2013-2014 and for 2014-2015~~ **FOR 2015-2016** to applicant
18 districts and intermediate districts offering programs of
19 instruction for pupils of limited English-speaking ability under
20 section 1153 of the revised school code, MCL 380.1153.

21 Reimbursement shall be on a per-pupil basis and shall be based on
22 the number of pupils of limited English-speaking ability in
23 membership on the pupil membership count day. Funds allocated under
24 this section shall be used solely for instruction in speaking,
25 reading, writing, or comprehension of English. A pupil shall not be
26 counted under this section or instructed in a program under this
27 section for more than 3 years.

1 Sec. 43. From the general fund money appropriated in section
2 11, there is allocated to the department for ~~2014-2015-2015-2016~~ an
3 amount not to exceed \$1,800,000.00 for updating teacher
4 certification tests. The department shall use these funds to update
5 the set of teacher certification tests, including content-specific
6 and subject-relevant tests, to reflect current education standards
7 by not later than September 30, 2016. **THIS IS THE SECOND YEAR OF 2**
8 **YEARS OF FUNDING.**

9 Sec. 51a. (1) From the appropriation in section 11, there is
10 allocated an amount not to exceed ~~\$914,946,100.00 for 2014-2015~~
11 **\$934,546,100.00 FOR 2015-2016** from state sources and all available
12 federal funding under sections 611 to 619 of part B of the
13 individuals with disabilities education act, 20 USC 1411 to 1419,
14 estimated at \$370,000,000.00 for ~~2014-2015,~~ **2014-2015**, plus any
15 carryover federal funds from previous year appropriations. The
16 allocations under this subsection are for the purpose of
17 reimbursing districts and intermediate districts for special
18 education programs, services, and special education personnel as
19 prescribed in article 3 of the revised school code, MCL 380.1701 to
20 380.1766; net tuition payments made by intermediate districts to
21 the Michigan schools for the deaf and blind; and special education
22 programs and services for pupils who are eligible for special
23 education programs and services according to statute or rule. For
24 meeting the costs of special education programs and services not
25 reimbursed under this article, a district or intermediate district
26 may use money in general funds or special education funds, not
27 otherwise restricted, or contributions from districts to

1 intermediate districts, tuition payments, gifts and contributions
2 from individuals or other entities, or federal funds that may be
3 available for this purpose, as determined by the intermediate
4 district plan prepared pursuant to article 3 of the revised school
5 code, MCL 380.1701 to 380.1766. Notwithstanding section 17b,
6 payments of federal funds to districts, intermediate districts, and
7 other eligible entities under this section shall be paid on a
8 schedule determined by the department.

9 (2) From the funds allocated under subsection (1), there is
10 allocated the amount necessary, estimated at ~~\$251,800,000.00 for~~
11 ~~2014-2015,~~ **\$257,200,000.00 FOR 2015-2016**, for payments toward
12 reimbursing districts and intermediate districts for 28.6138% of
13 total approved costs of special education, excluding costs
14 reimbursed under section 53a, and 70.4165% of total approved costs
15 of special education transportation. Allocations under this
16 subsection shall be made as follows:

17 (a) The initial amount allocated to a district under this
18 subsection toward fulfilling the specified percentages shall be
19 calculated by multiplying the district's special education pupil
20 membership, excluding pupils described in subsection (11), times
21 the foundation allowance under section 20 of the pupil's district
22 of residence, not to exceed the basic foundation allowance under
23 section 20 for the current fiscal year, or, for a special education
24 pupil in membership in a district that is a public school academy,
25 times an amount equal to the amount per membership pupil calculated
26 under section 20(6) or, for a pupil described in this subsection
27 who is counted in membership in the education achievement system,

1 times an amount equal to the amount per membership pupil under
2 section 20(7). For an intermediate district, the amount allocated
3 under this subdivision toward fulfilling the specified percentages
4 shall be an amount per special education membership pupil,
5 excluding pupils described in subsection (11), and shall be
6 calculated in the same manner as for a district, using the
7 foundation allowance under section 20 of the pupil's district of
8 residence, not to exceed the basic foundation allowance under
9 section 20 for the current fiscal year.

10 (b) After the allocations under subdivision (a), districts and
11 intermediate districts for which the payments calculated under
12 subdivision (a) do not fulfill the specified percentages shall be
13 paid the amount necessary to achieve the specified percentages for
14 the district or intermediate district.

15 (3) From the funds allocated under subsection (1), there is
16 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
17 \$1,000,000.00 to make payments to districts and intermediate
18 districts under this subsection. If the amount allocated to a
19 district or intermediate district for a fiscal year under
20 subsection (2)(b) is less than the sum of the amounts allocated to
21 the district or intermediate district for 1996-97 under sections 52
22 and 58, there is allocated to the district or intermediate district
23 for the fiscal year an amount equal to that difference, adjusted by
24 applying the same proration factor that was used in the
25 distribution of funds under section 52 in 1996-97 as adjusted to
26 the district's or intermediate district's necessary costs of
27 special education used in calculations for the fiscal year. This

1 adjustment is to reflect reductions in special education program
2 operations or services between 1996-97 and subsequent fiscal years.
3 Adjustments for reductions in special education program operations
4 or services shall be made in a manner determined by the department
5 and shall include adjustments for program or service shifts.

6 (4) If the department determines that the sum of the amounts
7 allocated for a fiscal year to a district or intermediate district
8 under subsection (2)(a) and (b) is not sufficient to fulfill the
9 specified percentages in subsection (2), then the shortfall shall
10 be paid to the district or intermediate district during the fiscal
11 year beginning on the October 1 following the determination and
12 payments under subsection (3) shall be adjusted as necessary. If
13 the department determines that the sum of the amounts allocated for
14 a fiscal year to a district or intermediate district under
15 subsection (2)(a) and (b) exceeds the sum of the amount necessary
16 to fulfill the specified percentages in subsection (2), then the
17 department shall deduct the amount of the excess from the
18 district's or intermediate district's payments under this article
19 for the fiscal year beginning on the October 1 following the
20 determination and payments under subsection (3) shall be adjusted
21 as necessary. However, if the amount allocated under subsection
22 (2)(a) in itself exceeds the amount necessary to fulfill the
23 specified percentages in subsection (2), there shall be no
24 deduction under this subsection.

25 (5) State funds shall be allocated on a total approved cost
26 basis. Federal funds shall be allocated under applicable federal
27 requirements, except that an amount not to exceed \$3,500,000.00 may

1 be allocated by the department for ~~2014-2015~~ **2015-2016** to
2 districts, intermediate districts, or other eligible entities on a
3 competitive grant basis for programs, equipment, and services that
4 the department determines to be designed to benefit or improve
5 special education on a statewide scale.

6 (6) From the amount allocated in subsection (1), there is
7 allocated an amount not to exceed \$2,200,000.00 for ~~2014-2015~~ **2015-**
8 **2016** to reimburse 100% of the net increase in necessary costs
9 incurred by a district or intermediate district in implementing the
10 revisions in the administrative rules for special education that
11 became effective on July 1, 1987. As used in this subsection, "net
12 increase in necessary costs" means the necessary additional costs
13 incurred solely because of new or revised requirements in the
14 administrative rules minus cost savings permitted in implementing
15 the revised rules. Net increase in necessary costs shall be
16 determined in a manner specified by the department.

17 (7) For purposes of sections 51a to 58, all of the following
18 apply:

19 (a) "Total approved costs of special education" shall be
20 determined in a manner specified by the department and may include
21 indirect costs, but shall not exceed 115% of approved direct costs
22 for section 52 and section 53a programs. The total approved costs
23 include salary and other compensation for all approved special
24 education personnel for the program, including payments for social
25 security and Medicare and public school employee retirement system
26 contributions. The total approved costs do not include salaries or
27 other compensation paid to administrative personnel who are not

1 special education personnel as defined in section 6 of the revised
2 school code, MCL 380.6. Costs reimbursed by federal funds, other
3 than those federal funds included in the allocation made under this
4 article, are not included. Special education approved personnel not
5 utilized full time in the evaluation of students or in the delivery
6 of special education programs, ancillary, and other related
7 services shall be reimbursed under this section only for that
8 portion of time actually spent providing these programs and
9 services, with the exception of special education programs and
10 services provided to youth placed in child caring institutions or
11 juvenile detention programs approved by the department to provide
12 an on-grounds education program.

13 (b) Beginning with the 2004-2005 fiscal year, a district or
14 intermediate district that employed special education support
15 services staff to provide special education support services in
16 2003-2004 or in a subsequent fiscal year and that in a fiscal year
17 after 2003-2004 receives the same type of support services from
18 another district or intermediate district shall report the cost of
19 those support services for special education reimbursement purposes
20 under this article. This subdivision does not prohibit the transfer
21 of special education classroom teachers and special education
22 classroom aides if the pupils counted in membership associated with
23 those special education classroom teachers and special education
24 classroom aides are transferred and counted in membership in the
25 other district or intermediate district in conjunction with the
26 transfer of those teachers and aides.

27 (c) If the department determines before bookclosing for a

1 fiscal year that the amounts allocated for that fiscal year under
2 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
3 will exceed expenditures for that fiscal year under subsections
4 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
5 district or intermediate district whose reimbursement for that
6 fiscal year would otherwise be affected by subdivision (b),
7 subdivision (b) does not apply to the calculation of the
8 reimbursement for that district or intermediate district and
9 reimbursement for that district or intermediate district shall be
10 calculated in the same manner as it was for 2003-2004. If the
11 amount of the excess allocations under subsections (2), (3), (6),
12 and (11) and sections 53a, 54, and 56 is not sufficient to fully
13 fund the calculation of reimbursement to those districts and
14 intermediate districts under this subdivision, then the
15 calculations and resulting reimbursement under this subdivision
16 shall be prorated on an equal percentage basis. ~~This reimbursement~~
17 ~~shall not be made after 2014-2015.~~

18 (d) Reimbursement for ancillary and other related services, as
19 defined by R 340.1701c of the Michigan administrative code, shall
20 not be provided when those services are covered by and available
21 through private group health insurance carriers or federal
22 reimbursed program sources unless the department and district or
23 intermediate district agree otherwise and that agreement is
24 approved by the state budget director. Expenses, other than the
25 incidental expense of filing, shall not be borne by the parent. In
26 addition, the filing of claims shall not delay the education of a
27 pupil. A district or intermediate district shall be responsible for

1 payment of a deductible amount and for an advance payment required
2 until the time a claim is paid.

3 (e) Beginning with calculations for 2004-2005, if an
4 intermediate district purchases a special education pupil
5 transportation service from a constituent district that was
6 previously purchased from a private entity; if the purchase from
7 the constituent district is at a lower cost, adjusted for changes
8 in fuel costs; and if the cost shift from the intermediate district
9 to the constituent does not result in any net change in the revenue
10 the constituent district receives from payments under sections 22b
11 and 51c, then upon application by the intermediate district, the
12 department shall direct the intermediate district to continue to
13 report the cost associated with the specific identified special
14 education pupil transportation service and shall adjust the costs
15 reported by the constituent district to remove the cost associated
16 with that specific service.

17 (8) A pupil who is enrolled in a full-time special education
18 program conducted or administered by an intermediate district or a
19 pupil who is enrolled in the Michigan schools for the deaf and
20 blind shall not be included in the membership count of a district,
21 but shall be counted in membership in the intermediate district of
22 residence.

23 (9) Special education personnel transferred from 1 district to
24 another to implement the revised school code shall be entitled to
25 the rights, benefits, and tenure to which the person would
26 otherwise be entitled had that person been employed by the
27 receiving district originally.

1 (10) If a district or intermediate district uses money
2 received under this section for a purpose other than the purpose or
3 purposes for which the money is allocated, the department may
4 require the district or intermediate district to refund the amount
5 of money received. Money that is refunded shall be deposited in the
6 state treasury to the credit of the state school aid fund.

7 (11) From the funds allocated in subsection (1), there is
8 allocated the amount necessary, estimated at ~~\$4,000,000.00 for~~
9 ~~2014-2015,~~ **\$3,200,000.00 FOR 2015-2016**, to pay the foundation
10 allowances for pupils described in this subsection. The allocation
11 to a district under this subsection shall be calculated by
12 multiplying the number of pupils described in this subsection who
13 are counted in membership in the district times the foundation
14 allowance under section 20 of the pupil's district of residence,
15 not to exceed the basic foundation allowance under section 20 for
16 the current fiscal year, or, for a pupil described in this
17 subsection who is counted in membership in a district that is a
18 public school academy, times an amount equal to the amount per
19 membership pupil under section 20(6) or, for a pupil described in
20 this subsection who is counted in membership in the education
21 achievement system, times an amount equal to the amount per
22 membership pupil under section 20(7). The allocation to an
23 intermediate district under this subsection shall be calculated in
24 the same manner as for a district, using the foundation allowance
25 under section 20 of the pupil's district of residence, not to
26 exceed the basic foundation allowance under section 20 for the
27 current fiscal year. This subsection applies to all of the

1 following pupils:

2 (a) Pupils described in section 53a.

3 (b) Pupils counted in membership in an intermediate district
4 who are not special education pupils and are served by the
5 intermediate district in a juvenile detention or child caring
6 facility.

7 (c) Pupils with an emotional impairment counted in membership
8 by an intermediate district and provided educational services by
9 the department of community health.

10 (12) If it is determined that funds allocated under subsection
11 (2) or (11) or under section 51c will not be expended, funds up to
12 the amount necessary and available may be used to supplement the
13 allocations under subsection (2) or (11) or under section 51c in
14 order to fully fund those allocations. After payments under
15 subsections (2) and (11) and section 51c, the remaining
16 expenditures from the allocation in subsection (1) shall be made in
17 the following order:

18 (a) 100% of the reimbursement required under section 53a.

19 (b) 100% of the reimbursement required under subsection (6).

20 (c) 100% of the payment required under section 54.

21 (d) 100% of the payment required under subsection (3).

22 (e) 100% of the payments under section 56.

23 (13) The allocations under subsections (2), (3), and (11)
24 shall be allocations to intermediate districts only and shall not
25 be allocations to districts, but instead shall be calculations used
26 only to determine the state payments under section 22b.

27 (14) If a public school academy enrolls pursuant to this

1 section a pupil who resides outside of the intermediate district in
2 which the public school academy is located and who is eligible for
3 special education programs and services according to statute or
4 rule, or who is a child with disabilities, as defined under the
5 individuals with disabilities education act, Public Law 108-446,
6 the provision of special education programs and services and the
7 payment of the added costs of special education programs and
8 services for the pupil are the responsibility of the district and
9 intermediate district in which the pupil resides unless the
10 enrolling district or intermediate district has a written agreement
11 with the district or intermediate district in which the pupil
12 resides or the public school academy for the purpose of providing
13 the pupil with a free appropriate public education and the written
14 agreement includes at least an agreement on the responsibility for
15 the payment of the added costs of special education programs and
16 services for the pupil.

17 Sec. 51c. As required by the court in the consolidated cases
18 known as Durant v State of Michigan, Michigan supreme court docket
19 no. 104458-104492, from the allocation under section 51a(1), there
20 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,
21 estimated at ~~\$606,000,000.00,~~ **\$621,000,000.00**, for payments to
22 reimburse districts for 28.6138% of total approved costs of special
23 education excluding costs reimbursed under section 53a, and
24 70.4165% of total approved costs of special education
25 transportation. Funds allocated under this section that are not
26 expended in the state fiscal year for which they were allocated, as
27 determined by the department, may be used to supplement the

1 allocations under sections 22a and 22b in order to fully fund those
2 calculated allocations for the same fiscal year.

3 Sec. 51d. (1) From the federal funds appropriated in section
4 11, there is allocated for ~~2014-2015,~~ **2015-2016**, all available
5 federal funding, estimated at ~~\$74,000,000.00,~~ **\$71,000,000.00**, for
6 special education programs and services that are funded by federal
7 grants. All federal funds allocated under this section shall be
8 distributed in accordance with federal law. Notwithstanding section
9 17b, payments of federal funds to districts, intermediate
10 districts, and other eligible entities under this section shall be
11 paid on a schedule determined by the department.

12 (2) From the federal funds allocated under subsection (1), the
13 following amounts are allocated for ~~2014-2015,~~ **2015-2016**:

14 (a) An amount estimated at ~~\$15,000,000.00~~ **\$14,000,000.00** for
15 handicapped infants and toddlers, funded from DED-OSERS,
16 handicapped infants and toddlers funds.

17 (b) An amount estimated at ~~\$14,000,000.00~~ **\$12,000,000.00** for
18 preschool grants (Public Law 94-142), funded from DED-OSERS,
19 handicapped preschool incentive funds.

20 (c) An amount estimated at \$45,000,000.00 for special
21 education programs funded by DED-OSERS, handicapped program,
22 individuals with disabilities act funds.

23 (3) As used in this section, "DED-OSERS" means the United
24 States ~~department of education office of special education and~~
25 ~~rehabilitative services.~~ **DEPARTMENT OF EDUCATION OFFICE OF SPECIAL**
26 **EDUCATION AND REHABILITATIVE SERVICES.**

27 Sec. 53a. (1) For districts, reimbursement for pupils

1 described in subsection (2) shall be 100% of the total approved
2 costs of operating special education programs and services approved
3 by the department and included in the intermediate district plan
4 adopted pursuant to article 3 of the revised school code, MCL
5 380.1701 to 380.1766, minus the district's foundation allowance
6 calculated under section 20. For intermediate districts,
7 reimbursement for pupils described in subsection (2) shall be
8 calculated in the same manner as for a district, using the
9 foundation allowance under section 20 of the pupil's district of
10 residence, not to exceed the basic foundation allowance under
11 section 20 for the current fiscal year.

12 (2) Reimbursement under subsection (1) is for the following
13 special education pupils:

14 (a) Pupils assigned to a district or intermediate district
15 through the community placement program of the courts or a state
16 agency, if the pupil was a resident of another intermediate
17 district at the time the pupil came under the jurisdiction of the
18 court or a state agency.

19 (b) Pupils who are residents of institutions operated by the
20 department of community health.

21 (c) Pupils who are former residents of department of community
22 health institutions for the developmentally disabled who are placed
23 in community settings other than the pupil's home.

24 (d) Pupils enrolled in a department-approved on-grounds
25 educational program longer than 180 days, but not longer than 233
26 days, at a residential child care institution, if the child care
27 institution offered in 1991-92 an on-grounds educational program

1 longer than 180 days but not longer than 233 days.

2 (e) Pupils placed in a district by a parent for the purpose of
3 seeking a suitable home, if the parent does not reside in the same
4 intermediate district as the district in which the pupil is placed.

5 (3) Only those costs that are clearly and directly
6 attributable to educational programs for pupils described in
7 subsection (2), and that would not have been incurred if the pupils
8 were not being educated in a district or intermediate district, are
9 reimbursable under this section.

10 (4) The costs of transportation shall be funded under this
11 section and shall not be reimbursed under section 58.

12 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-~~
13 ~~2015-2015-2016~~ in section 51a(1) shall be allocated under this
14 section.

15 Sec. 54. Each intermediate district shall receive an amount
16 per-pupil for each pupil in attendance at the Michigan schools for
17 the deaf and blind. The amount shall be proportionate to the total
18 instructional cost at each school. Not more than \$1,688,000.00 of
19 the allocation for ~~2014-2015-2015-2016~~ in section 51a(1) shall be
20 allocated under this section.

21 **SEC. 55. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE**
22 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 2015-2016 TO**
23 **MICHIGAN STATE UNIVERSITY, DEPARTMENT OF EPIDEMIOLOGY, FOR A STUDY**
24 **OF THE CONDUCTIVE LEARNING CENTER LOCATED AT AQUINAS COLLEGE. THIS**
25 **FUNDING SHALL BE USED TO DEVELOP AND IMPLEMENT AN EVALUATION OF THE**
26 **EFFECTIVENESS OF CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL**
27 **PALSY. THE EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A**

1 CONTROL GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN
2 CONDUCTIVE EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR
3 SYSTEM ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH
4 OF THE FOLLOWING:

5 (A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR
6 FUNCTIONS.

7 (B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.

8 (C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.

9 (D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH
10 CEREBRAL PALSY.

11 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS
12 FOR THE FIRST OF 2 YEARS OF FUNDING FOR THIS PURPOSE.

13 Sec. 56. (1) For the purposes of this section:

14 (a) "Membership" means for a particular fiscal year the total
15 membership for the immediately preceding fiscal year of the
16 intermediate district and the districts constituent to the
17 intermediate district.

18 (b) "Millage levied" means the millage levied for special
19 education pursuant to part 30 of the revised school code, MCL
20 380.1711 to 380.1743, including a levy for debt service
21 obligations.

22 (c) "Taxable value" means the total taxable value of the
23 districts constituent to an intermediate district, except that if a
24 district has elected not to come under part 30 of the revised
25 school code, MCL 380.1711 to 380.1743, membership and taxable value
26 of the district shall not be included in the membership and taxable
27 value of the intermediate district.

1 (2) From the allocation under section 51a(1), there is
2 allocated an amount not to exceed \$37,758,100.00 for ~~2014-2015~~
3 **2015-2016** to reimburse intermediate districts levying millages for
4 special education pursuant to part 30 of the revised school code,
5 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
6 reimbursement shall be limited as if the funds were generated by
7 these millages and governed by the intermediate district plan
8 adopted pursuant to article 3 of the revised school code, MCL
9 380.1701 to 380.1766. As a condition of receiving funds under this
10 section, an intermediate district distributing any portion of
11 special education millage funds to its constituent districts shall
12 submit for departmental approval and implement a distribution plan.

13 (3) Reimbursement for those millages levied in ~~2013-2014-2014-~~
14 **2015** shall be made in ~~2014-2015-2015-2016~~ at an amount per ~~2013-~~
15 ~~2014-2014-2015~~ membership pupil computed by subtracting from
16 ~~\$172,200.00~~ **\$174,400.00** the ~~2013-2014-2014-2015~~ taxable value
17 behind each membership pupil and multiplying the resulting
18 difference by the ~~2013-2014-2014-2015~~ millage levied.

19 (4) The amount paid to a single intermediate district under
20 this section shall not exceed 62.9% of the total amount allocated
21 under subsection (2).

22 (5) The amount paid to a single intermediate district under
23 this section shall not be less than 75% of the amount allocated to
24 the intermediate district under this section for the immediately
25 preceding fiscal year.

26 Sec. 61a. (1) From the appropriation in section 11, there is
27 allocated an amount not to exceed ~~\$26,611,300.00~~ **\$40,000,000.00** for

1 ~~2014-2015-2015-2016~~ to reimburse on an added cost basis districts,
2 except for a district that served as the fiscal agent for a
3 vocational education consortium in the 1993-94 school year, and
4 secondary area vocational-technical education centers for
5 secondary-level career and technical education programs according
6 to rules approved by the superintendent. Applications for
7 participation in the programs shall be submitted in the form
8 prescribed by the department. The department shall determine the
9 added cost for each career and technical education program area.
10 The allocation of added cost funds shall be **PRIORITIZED** based on
11 the ~~type of~~ **CAPITAL AND PROGRAM EXPENDITURES NEEDED TO OPERATE THE**
12 career and technical education programs provided; ~~the number of~~
13 pupils enrolled; ~~THE ADVANCEMENT OF PUPILS THROUGH THE~~
14 **INSTRUCTIONAL PROGRAM; THE EXISTENCE OF AN ARTICULATION AGREEMENT**
15 **WITH AT LEAST 1 POSTSECONDARY INSTITUTION THAT PROVIDES PUPILS WITH**
16 **OPPORTUNITIES TO EARN POSTSECONDARY CREDIT DURING THE PUPIL'S**
17 **PARTICIPATION IN THE CAREER AND TECHNICAL EDUCATION PROGRAM AND**
18 **TRANSFERS THOSE CREDITS TO THE POSTSECONDARY INSTITUTION UPON**
19 **COMPLETION OF THE CAREER AND TECHNICAL EDUCATION PROGRAM; THE**
20 **PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS, AND WAGES;** and the
21 length of the training period provided, and shall not exceed 75% of
22 the added cost of any program. **NOTWITHSTANDING ANY RULE OR**
23 **DEPARTMENT DETERMINATION TO THE CONTRARY, WHEN DETERMINING A**
24 **DISTRICT'S ALLOCATION OR THE FORMULA FOR MAKING ALLOCATIONS UNDER**
25 **THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE PARTICIPATION OF**
26 **PUPILS IN GRADE 9 IN ALL OF THOSE DETERMINATIONS AND IN ALL**
27 **PORTIONS OF THE FORMULA.** With the approval of the department, the

1 board of a district maintaining a secondary career and technical
2 education program may offer the program for the period from the
3 close of the school year until September 1. The program shall use
4 existing facilities and shall be operated as prescribed by rules
5 promulgated by the superintendent.

6 (2) Except for a district that served as the fiscal agent for
7 a vocational education consortium in the 1993-94 school year,
8 districts and intermediate districts shall be reimbursed for local
9 career and technical education administration, shared time career
10 and technical education administration, and career education
11 planning district career and technical education administration.
12 The definition of what constitutes administration and reimbursement
13 shall be pursuant to guidelines adopted by the superintendent. Not
14 more than \$800,000.00 of the allocation in subsection (1) shall be
15 distributed under this subsection.

16 ~~—— (3) In addition to the funds allocated in subsection (1), from~~
17 ~~the appropriation in section 11, there is allocated an amount not~~
18 ~~to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate~~
19 ~~districts for area career and technical education centers for the~~
20 ~~purpose of integrating the Michigan merit curriculum content~~
21 ~~standards under sections 1278a and 1278b of the revised school~~
22 ~~code, MCL 380.1278a and 380.1278b, into state approved career and~~
23 ~~technical education instructional programs for the purpose of~~
24 ~~awarding academic credit. The department shall determine the~~
25 ~~allocation to each career and technical education center in a~~
26 ~~manner that provides for maximum integration of Michigan merit~~
27 ~~curriculum content standards statewide.~~

1 (3) A CAREER AND TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS
2 SECTION MAY PROVIDE AN OPPORTUNITY FOR PARTICIPANTS WHO ARE
3 ELIGIBLE TO BE FUNDED UNDER SECTION 107 TO ENROLL IN THE CAREER AND
4 TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS SECTION. IN ORDER TO
5 ELIMINATE FINANCIAL DISINCENTIVES FROM EXPANDING CAREER AND
6 TECHNICAL EDUCATION ENROLLMENTS TO ADULTS, A PROGRAM THAT PROVIDES
7 SERVICES TO SECTION 107 ADULT EDUCATION PARTICIPANTS UNDER THIS
8 SUBSECTION MAY BILL BACK TO THE EDUCATION PROVIDER AND GRANTEE
9 UNDER SECTION 107 FOR ANY BASIC EDUCATION COURSE REQUIREMENTS MET
10 BY THE CAREER AND TECHNICAL EDUCATION PROGRAMMING, AND THEN MAY
11 SUBMIT ANY REMAINING ADDED COSTS TO THE DEPARTMENT FOR
12 REIMBURSEMENT AS PROVIDED UNDER THIS SECTION.

13 SEC. 61B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
14 ALLOCATED AN AMOUNT NOT TO EXCEED \$17,800,000.00 FOR 2015-2016 FOR
15 CTE EARLY/MIDDLE COLLEGE PROGRAMS AUTHORIZED UNDER THIS SECTION.
16 THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER OF MICHIGAN
17 RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE
18 THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH
19 SCHOOL GRADUATION.

20 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT
21 AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH
22 INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR STATE-APPROVED
23 CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE PROSPERITY REGIONS
24 AND SUBREGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE
25 DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER
26 THIS SUBSECTION FOR ADMINISTRATIVE COSTS FOR SERVING AS THE FISCAL
27 AGENT.

1 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT
2 MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND MANNER
3 DETERMINED BY THE DEPARTMENT:

4 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE
5 PROGRAMS IN A PROSPERITY REGION OR SUBREGION AS DESCRIBED IN THIS
6 SECTION.

7 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT
8 IS LOCATED IN THE PROSPERITY REGION OR SUBREGION TO DEVELOP A
9 REGIONAL STRATEGIC PLAN UNDER SUBSECTION (4) THAT ALIGNS CTE
10 PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY
11 SYSTEM FOR HIGH SCHOOL STUDENTS.

12 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN
13 THE PROSPERITY REGION OR SUBREGION AS DESCRIBED UNDER SUBSECTION
14 (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE DEPARTMENT BEFORE
15 THE RANKING OF CAREER CLUSTERS.

16 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA
17 AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

18 (4) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT
19 DISTRICT CAREER COUNCIL BEFORE SUBMISSION TO THE DEPARTMENT. A
20 REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
21 FOLLOWING:

22 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A
23 RANKING OF ALL CAREER CLUSTERS IN THE PROSPERITY REGION OR
24 SUBREGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS AND MEDIAN
25 WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS
26 OBTAINED FROM THE UNITED STATES BUREAU OF LABOR STATISTICS.
27 STANDARD OCCUPATIONAL CODES WITHIN HIGH-RANKING CLUSTERS ALSO MAY

1 BE FURTHER RANKED BY MEDIAN WAGE. THE RANKINGS SHALL BE REVIEWED BY
2 THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION
3 OR SUBREGION AND MODIFIED IF NECESSARY TO ACCURATELY REFLECT
4 EMPLOYER DEMAND FOR TALENT IN THE PROSPERITY REGION OR SUBREGION.
5 THESE CAREER CLUSTER RANKINGS SHALL BE DETERMINED AND UPDATED ONCE
6 EVERY 3 YEARS.

7 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE
8 PROSPERITY REGION OR SUBREGION THAT WILL PROVIDE ELIGIBLE CTE
9 EARLY/MIDDLE COLLEGE PROGRAMS INCLUDING DISTRICTS, INTERMEDIATE
10 DISTRICTS, POSTSECONDARY INSTITUTIONS, AND NONCREDIT OCCUPATIONAL
11 TRAINING PROGRAMS LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

12 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE
13 EARLY/MIDDLE COLLEGE PROGRAMS IN THE PROSPERITY REGION OR
14 SUBREGION.

15 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

16 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A 5-YEAR
17 HIGH SCHOOL PROGRAM THAT MEETS ALL OF THE FOLLOWING:

18 (A) HAS BEEN IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER
19 RANKINGS IN ANY OF THE 10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED
20 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF
21 TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

22 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A
23 STUDENT TO EARN A HIGH SCHOOL DIPLOMA AND ACHIEVE AT LEAST 1 OF THE
24 FOLLOWING IN A SPECIFIC CAREER CLUSTER:

25 (i) AN ASSOCIATE DEGREE.

26 (ii) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED
27 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF

1 TALENT AND ECONOMIC DEVELOPMENT.

2 (iii) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

3 (iv) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

4 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

5 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST 1
6 POSTSECONDARY INSTITUTION THAT PROVIDES STUDENTS WITH OPPORTUNITIES
7 TO RECEIVE POSTSECONDARY CREDITS DURING THE STUDENT'S PARTICIPATION
8 IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE CREDITS
9 TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE
10 EARLY/MIDDLE COLLEGE PROGRAM.

11 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR
12 COORDINATED BY AN APPROPRIATELY CERTIFICATED CTE TEACHER OR, FOR
13 CONCURRENT ENROLLMENT COURSES, A POSTSECONDARY FACULTY MEMBER.

14 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES
15 THAT INCLUDE AT LEAST THE FOLLOWING:

16 (i) TEACHERS AS ACADEMIC ADVISORS.

17 (ii) SUPERVISED COURSE SELECTION.

18 (iii) MONITORING OF STUDENT PROGRESS AND COMPLETION.

19 (iv) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP
20 SERVICE CENTER AS DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE
21 CENTER SYSTEM ACT, 2006 PA 491, MCL 408.111 TO 408.135, OR BY A
22 HIGH SCHOOL COUNSELOR OR ADVISOR.

23 (G) HAS COURSES THAT ARE TAUGHT ON A COLLEGE CAMPUS, ARE
24 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL AND TAUGHT BY COLLEGE
25 FACULTY, OR ARE COURSES TAUGHT IN COMBINATION WITH ONLINE
26 INSTRUCTION.

27 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL

1 BE DISTRIBUTED AS FOLLOWS:

2 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS
3 PER FULL-TIME EQUATED PUPIL FOR EACH CAREER CLUSTER BY DIVIDING
4 TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY PRIOR
5 YEAR FULL-TIME EQUATED PUPILS FOR EACH CAREER CLUSTER.

6 (B) DISTRIBUTION TO EACH ELIGIBLE CTE EARLY/MIDDLE COLLEGE
7 PROGRAM SHALL BE THE PRODUCT OF 50% OF CTE COSTS PER FULL-TIME
8 EQUATED PUPIL TIMES THE CURRENT YEAR FULL-TIME EQUATED PUPIL
9 ENROLLMENT OF EACH CAREER CLUSTER IN AN ELIGIBLE CTE EARLY/MIDDLE
10 COLLEGE PROGRAM.

11 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE
12 EARLY/MIDDLE COLLEGE PROGRAM SHALL FURNISH TO THE INTERMEDIATE
13 DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED IN SUBSECTION (1), IN
14 A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION
15 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING
16 REQUIREMENTS; SHALL ALLOW THE DEPARTMENT OR THE DEPARTMENT'S
17 DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT
18 RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES
19 FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

20 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND
21 PROGRAM EXPENDITURES THAT WOULD OTHERWISE BE PAID FOR FROM
22 FOUNDATION ALLOWANCES. A PROGRAM PROVIDER SHALL NOT USE MORE THAN
23 5% OF THE FUNDS ALLOCATED UNDER THIS SECTION TO THE PROGRAM FOR
24 ADMINISTRATIVE COSTS.

25 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO
26 FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE
27 DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL

1 PERCENTAGE BASIS.

2 (10) IF PUPILS ENROLLED IN A CAREER CLUSTER IN AN ELIGIBLE CTE
3 EARLY/MIDDLE COLLEGE PROGRAM QUALIFY TO BE REIMBURSED UNDER THIS
4 SECTION, THOSE PUPILS CONTINUE TO QUALIFY FOR REIMBURSEMENT UNTIL
5 GRADUATION, EVEN IF THE CAREER CLUSTER IS NO LONGER IDENTIFIED AS
6 BEING IN THE HIGHEST 5 CAREER CLUSTER RANKINGS.

7 (11) AS USED IN THIS SECTION:

8 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE
9 TO THE PROGRAM AS JOINTLY DETERMINED BY THE MICHIGAN TALENT
10 INVESTMENT AGENCY AND THE DEPARTMENT.

11 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

12 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL
13 TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY
14 REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT
15 REPRESENTATIVES.

16 Sec. 62. (1) For the purposes of this section:

17 (a) "Membership" means for a particular fiscal year the total
18 membership for the immediately preceding fiscal year of the
19 intermediate district and the districts constituent to the
20 intermediate district or the total membership for the immediately
21 preceding fiscal year of the area vocational-technical program.

22 (b) "Millage levied" means the millage levied for area
23 vocational-technical education pursuant to sections 681 to 690 of
24 the revised school code, MCL 380.681 to 380.690, including a levy
25 for debt service obligations incurred as the result of borrowing
26 for capital outlay projects and in meeting capital projects fund
27 requirements of area vocational-technical education.

1 (c) "Taxable value" means the total taxable value of the
2 districts constituent to an intermediate district or area
3 vocational-technical education program, except that if a district
4 has elected not to come under sections 681 to 690 of the revised
5 school code, MCL 380.681 to 380.690, the membership and taxable
6 value of that district shall not be included in the membership and
7 taxable value of the intermediate district. However, the membership
8 and taxable value of a district that has elected not to come under
9 sections 681 to 690 of the revised school code, MCL 380.681 to
10 380.690, shall be included in the membership and taxable value of
11 the intermediate district if the district meets both of the
12 following:

13 (i) The district operates the area vocational-technical
14 education program pursuant to a contract with the intermediate
15 district.

16 (ii) The district contributes an annual amount to the
17 operation of the program that is commensurate with the revenue that
18 would have been raised for operation of the program if millage were
19 levied in the district for the program under sections 681 to 690 of
20 the revised school code, MCL 380.681 to 380.690.

21 (2) From the appropriation in section 11, there is allocated
22 an amount not to exceed \$9,190,000.00 for ~~2014-2015~~ **2015-2016** to
23 reimburse intermediate districts and area vocational-technical
24 education programs established under section 690(3) of the revised
25 school code, MCL 380.690, levying millages for area vocational-
26 technical education pursuant to sections 681 to 690 of the revised
27 school code, MCL 380.681 to 380.690. The purpose, use, and

1 expenditure of the reimbursement shall be limited as if the funds
2 were generated by those millages.

3 (3) Reimbursement for the millages levied in ~~2013-2014-2014-~~
4 ~~2015~~ shall be made in ~~2014-2015-2015-2016~~ at an amount per ~~2013-~~
5 ~~2014-2014-2015~~ membership pupil computed by subtracting from
6 ~~\$188,100.00-\$189,400.00~~ the ~~2013-2014-2014-2015~~ taxable value
7 behind each membership pupil and multiplying the resulting
8 difference by the ~~2013-2014-2014-2015~~ millage levied.

9 (4) The amount paid to a single intermediate district under
10 this section shall not exceed 38.4% of the total amount allocated
11 under subsection (2).

12 (5) The amount paid to a single intermediate district under
13 this section shall not be less than 75% of the amount allocated to
14 the intermediate district under this section for the immediately
15 preceding fiscal year.

16 Sec. 64b. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed \$1,750,000.00 for ~~2014-2015-2015-~~
18 ~~2016~~ for supplemental payments to districts that support the
19 attendance of district pupils in grades 9 to 12 under the
20 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
21 388.524, or under the career and technical preparation act, 2000 PA
22 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
23 support the attendance of district pupils in a concurrent
24 enrollment program if the district meets the requirements under
25 subsection (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**
26 **INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**
27 **UPON HIGH SCHOOL GRADUATION.**

1 (2) To be eligible for payments under this section for
2 supporting the attendance of district pupils under the
3 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
4 388.524, or under the career and technical preparation act, 2000 PA
5 258, MCL 388.1901 to 388.1913, a district shall do all of the
6 following:

7 (a) Provide information to all high school pupils on
8 postsecondary enrollment options, including enrollment eligibility,
9 the institutions and types of courses that are eligible for
10 participation, the decision-making process for granting academic
11 credit, and an explanation of eligible charges that will be paid by
12 the district.

13 (b) Enter into a written agreement with a postsecondary
14 institution before the enrollment of district pupils.

15 (c) Agree to pay all eligible charges pursuant to section 21b.

16 (d) Award high school credit for the postsecondary course if
17 the pupil successfully completes the course.

18 (3) To be eligible for payments under this section for pupils
19 enrolled in a concurrent enrollment program, a district shall do
20 all of the following:

21 (a) Provide information to all high school pupils on
22 postsecondary enrollment options, including enrollment eligibility,
23 the institutions and types of courses that are eligible for
24 participation, the decision-making process for granting academic
25 credit, and an explanation of eligible charges that will be paid by
26 the district.

27 (b) Enter into a written agreement with a postsecondary

1 institution establishing the concurrent enrollment program before
2 the enrollment of district pupils in a postsecondary course through
3 the postsecondary institution.

4 (c) Ensure that the course is taught by either a high school
5 teacher or postsecondary faculty pursuant to standards established
6 by the postsecondary institution with which the district has
7 entered into a written agreement to operate the concurrent
8 enrollment program.

9 (d) Ensure that the written agreement provides that the
10 postsecondary institution agrees not to charge the pupil for any
11 cost of the program.

12 (e) Ensure that the course is taught in the local district or
13 intermediate district.

14 (f) Ensure that the pupil is awarded both high school and
15 college credit **AT ANY COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY**
16 **IN THIS STATE** upon successful completion of the course as outlined
17 in the agreement with the postsecondary institution.

18 (4) Funds shall be awarded to eligible districts under this
19 section in the following manner:

20 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
21 credit-bearing course in which a pupil enrolls during the ~~2014-2015~~
22 **2015-2016** school year as described under either subsection (2) or
23 (3).

24 (b) An additional payment of \$30.00 per-pupil per course
25 identified in subdivision (a), if the pupil successfully completes,
26 and is awarded both high school and postsecondary credit for, the
27 course during the ~~2014-2015~~**2015-2016** school year.

1 (5) A district requesting payment under this section shall
2 submit an application to the department in the form and manner
3 prescribed by the department. Notwithstanding section 17b, payments
4 under this section shall be made on a schedule determined by the
5 department.

6 **SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN**
7 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
8 **\$3,600,000.00 FOR 2015-2016 FOR COLLEGE AND CAREER PREPARATION**
9 **ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**
10 **INFORM STUDENTS OF COLLEGE AND CAREER OPTIONS AND TO PROVIDE A WIDE**
11 **ARRAY OF TOOLS AND RESOURCES INTENDED TO INCREASE THE NUMBER OF**
12 **PUPILS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION NEEDED TO**
13 **MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS**
14 **APPROPRIATED UNDER THIS SECTION ARE INTENDED TO BE USED TO INCREASE**
15 **THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES OR**
16 **CREDENTIALS. FUNDS APPROPRIATED UNDER THIS SECTION SHALL NOT BE**
17 **USED TO SUPPLANT FUNDING FOR COUNSELORS ALREADY FUNDED BY**
18 **DISTRICTS.**

19 **(2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT**
20 **TO EXCEED \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS**
21 **PROGRAM. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF TALENT**
22 **AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN**
23 **COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. THESE FUNDS**
24 **MAY BE USED FOR ANY OF THE FOLLOWING PURPOSES:**

25 **(A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,**
26 **AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.**

27 **(B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED**

1 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE
2 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY
3 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

4 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED
5 TO PLACE TRAINED, RECENTLY GRADUATED COLLEGE ADVISORS IN HIGH
6 SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF LOW-INCOME AND FIRST-
7 GENERATION COLLEGE-GOING PUPILS. STATE FUNDS USED FOR THIS PURPOSE
8 MAY NOT EXCEED 33% OF THE TOTAL FUNDS AVAILABLE UNDER THIS
9 SUBSECTION.

10 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH
11 COMPREHENSIVE HIGH SCHOOLS THAT ESTABLISH A COLLEGE ACCESS TEAM AND
12 IMPLEMENT SPECIFIC STRATEGIES TO CREATE A COLLEGE-GOING CULTURE IN
13 A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN COLLEGE
14 ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

15 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP
16 PORTAL TO HELP PUPILS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

17 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-
18 INCOME AND FIRST-GENERATION COLLEGE-GOING PUPILS TO TAKE NECESSARY
19 STEPS TOWARD COLLEGE AND TO ASSIST PUPILS AND FAMILIES IN
20 COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL
21 STUDENT AID.

22 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,
23 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST
24 HIGH SCHOOL PUPILS IN NAVIGATING THE POSTSECONDARY PLANNING AND
25 ENROLLMENT PROCESS.

26 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT
27 TO EXCEED \$600,000.00 SHALL BE USED FOR THE PURPOSES OF THIS

1 SUBSECTION. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF
2 TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN
3 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE
4 MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE ALL OF THE FOLLOWING:

5 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO PUPILS,
6 PARENTS, AND EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES
7 AVAILABLE TO HIGH SCHOOL PUPILS TO EARN POSTSECONDARY CREDITS,
8 INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND PARTICIPATION IN
9 REGISTERED APPRENTICESHIPS AT NO COST.

10 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS ALL OF THE
11 FOLLOWING:

12 (i) HELPS PUPILS CREATE EDUCATIONAL DEVELOPMENT PLANS BEFORE
13 STARTING HIGH SCHOOL.

14 (ii) PROVIDES INFORMATION TO PUPILS ALLOWING THEM TO MAKE MORE
15 INFORMED CHOICES ABOUT CAREER AND EDUCATION OPTIONS.

16 (iii) IS AVAILABLE TO PUPILS AT NO COST.

17 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY
18 POSTSECONDARY EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER,
19 INCLUDING, BUT NOT LIMITED TO, A POSTSECONDARY DEGREE, INDUSTRY-
20 RECOGNIZED TECHNICAL CERTIFICATION, OR REGISTERED APPRENTICESHIP.

21 Sec. 74. (1) From the amount appropriated in section 11, there
22 is allocated an amount not to exceed ~~\$3,316,500.00 for 2014-2015~~
23 **\$3,315,700.00 FOR 2015-2016** for the purposes of this section.

24 (2) From the allocation in subsection (1), there is allocated
25 for each fiscal year the amount necessary for payments to state
26 supported colleges or universities and intermediate districts
27 providing school bus driver safety instruction pursuant to section

1 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
2 payments shall be in an amount determined by the department not to
3 exceed the actual cost of instruction and driver compensation for
4 each public or nonpublic school bus driver attending a course of
5 instruction. For the purpose of computing compensation, the hourly
6 rate allowed each school bus driver shall not exceed the hourly
7 rate received for driving a school bus. Reimbursement compensating
8 the driver during the course of instruction shall be made by the
9 department to the college or university or intermediate district
10 providing the course of instruction.

11 (3) From the allocation in subsection (1), there is allocated
12 for ~~2014-2015-2015-2016~~ the amount necessary to pay the reasonable
13 costs of nonspecial education auxiliary services transportation
14 provided pursuant to section 1323 of the revised school code, MCL
15 380.1323. Districts funded under this subsection shall not receive
16 funding under any other section of this article for nonspecial
17 education auxiliary services transportation.

18 (4) From the funds allocated in subsection (1), there is
19 allocated an amount not to exceed ~~\$1,691,500.00 for 2014-2015~~
20 **\$1,690,700.00 FOR 2015-2016** for reimbursement to districts and
21 intermediate districts for costs associated with the inspection of
22 school buses and pupil transportation vehicles by the department of
23 state police as required under section 715a of the Michigan vehicle
24 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
25 transportation act, 1990 PA 187, MCL 257.1839. The department of
26 state police shall prepare a statement of costs attributable to
27 each district for which bus inspections are provided and submit it

1 to the department and to an intermediate district serving as
2 fiduciary in a time and manner determined jointly by the department
3 and the department of state police. Upon review and approval of the
4 statement of cost, the department shall forward to the designated
5 intermediate district serving as fiduciary the amount of the
6 reimbursement on behalf of each district and intermediate district
7 for costs detailed on the statement within 45 days after receipt of
8 the statement. The designated intermediate district shall make
9 payment in the amount specified on the statement to the department
10 of state police within 45 days after receipt of the statement. The
11 total reimbursement of costs under this subsection shall not exceed
12 the amount allocated under this subsection. Notwithstanding section
13 17b, payments to eligible entities under this subsection shall be
14 paid on a schedule prescribed by the department.

15 **SEC. 77. (1) IF A DISTRICT IS EDUCATING ALL OF THE HIGH SCHOOL**
16 **PUPILS WHO ARE COUNTED IN MEMBERSHIP IN ANOTHER DISTRICT PURSUANT**
17 **TO AN AGREEMENT BETWEEN THE 2 DISTRICTS AND IF THE EDUCATING**
18 **DISTRICT PROVIDES TRANSPORTATION FOR ITS OWN RESIDENT HIGH SCHOOL**
19 **PUPILS, THE EDUCATING DISTRICT SHALL USE STATE SCHOOL AID UNDER**
20 **THIS ARTICLE TO PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR**
21 **NORMAL CURRICULAR ACTIVITIES FOR THOSE HIGH SCHOOL PUPILS WHO**
22 **RESIDE IN THE OTHER DISTRICT.**

23 **(2) SUBSECTION (1) DOES NOT REQUIRE THE EDUCATING DISTRICT TO**
24 **PROVIDE TRANSPORTATION FOR A NONRESIDENT PUPIL FOR ANY**
25 **EXTRACURRICULAR OR ATHLETIC ACTIVITY IN WHICH THE PUPIL**
26 **PARTICIPATES.**

27 Sec. 81. (1) Except as otherwise provided in this section,

1 from the appropriation in section 11, there is allocated for ~~2014-~~
2 ~~2015-2015-2016~~ to the intermediate districts the sum necessary, but
3 not to exceed ~~\$67,115,000.00~~ **\$68,108,000.00** to provide state aid to
4 intermediate districts under this section.

5 (2) From the allocation in subsection (1), there is allocated
6 for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$65,108,000.00~~
7 **\$68,108,000.00** for allocations to each intermediate district in an
8 amount equal to ~~104.8%~~ **104.6%** of the amount allocated to the
9 intermediate district under this subsection for ~~2013-2014.~~ **2014-**
10 **2015**. Funding provided under this section shall be used to comply
11 with requirements of this article and the revised school code that
12 are applicable to intermediate districts, and for which funding is
13 not provided elsewhere in this article, and to provide technical
14 assistance to districts as authorized by the intermediate school
15 board.

16 (3) Intermediate districts receiving funds under subsection
17 (2) shall collaborate with the department to develop expanded
18 professional development opportunities for teachers to update and
19 expand their knowledge and skills needed to support the Michigan
20 merit curriculum.

21 (4) From the allocation in subsection (1), there is allocated
22 to an intermediate district, formed by the consolidation or
23 annexation of 2 or more intermediate districts or the attachment of
24 a total intermediate district to another intermediate school
25 district or the annexation of all of the constituent K-12 districts
26 of a previously existing intermediate school district which has
27 disorganized, an additional allotment of \$3,500.00 each fiscal year

1 for each intermediate district included in the new intermediate
2 district for 3 years following consolidation, annexation, or
3 attachment. ~~From the allocation in subsection (1), there is~~
4 ~~allocated \$7,000.00 for purposes of this subsection for 2012-2013,~~
5 ~~for 2013-2014, and for 2014-2015, after which the payment under~~
6 ~~this subsection will cease.~~

7 (5) In order to receive funding under subsection (2), an
8 intermediate district shall do all of the following:

9 (a) Demonstrate to the satisfaction of the department that the
10 intermediate district employs at least 1 person who is trained in
11 pupil accounting and auditing procedures, rules, and regulations.

12 (b) Demonstrate to the satisfaction of the department that the
13 intermediate district employs at least 1 person who is trained in
14 rules, regulations, and district reporting procedures for the
15 individual-level student data that serves as the basis for the
16 calculation of the district and high school graduation and dropout
17 rates.

18 (c) Comply with sections 1278a and 1278b of the revised school
19 code, MCL 380.1278a and 380.1278b.

20 (d) Furnish data and other information required by state and
21 federal law to the center and the department in the form and manner
22 specified by the center or the department, as applicable.

23 (e) Comply with section 1230g of the revised school code, MCL
24 380.1230g.

25 (f) Comply with section 761 of the revised school code, MCL
26 380.761.

27 ~~—— (6) From the allocation in subsection (1), there is allocated~~

~~an amount not to exceed \$2,000,000.00 for 2014-2015 for an incentive payment to each intermediate district that meets best practices as determined by the department under this subsection. The amount of the incentive payment is an amount equal to 3.1% of the amount allocated to the intermediate district under subsection (2). An intermediate district is eligible for an incentive payment under this subsection if the intermediate district satisfies at least 5 of the following requirements not later than June 1, 2015:~~

~~—— (a) The intermediate district enters into an agreement with the department to comply with all of the following:~~

~~—— (i) If the intermediate district developed a service consolidation plan in 2013-2014, implement the service consolidation plan in 2014-2015 and report to the department not later than February 1, 2015 on the intermediate district's progress in implementing the service consolidation plan.~~

~~—— (ii) If the intermediate district did not develop a service consolidation plan in 2012-2013 or 2013-2014, develop a service consolidation plan in 2014-2015 to reduce operating costs that is in compliance with guidelines that were developed by the department for former section 11d as that section was in effect for 2010-2011.~~

~~—— (iii) Make the intermediate district's service consolidation plan publicly available on the intermediate district's website.~~

~~—— (b) The intermediate district has obtained competitive bids on the provision of 1 or more noninstructional services for the intermediate district or its constituent districts with a value of at least \$50,000.00. The unfunded accrued liability costs for retirement and other benefits shall be excluded from the~~

~~intermediate district's current costs for the purpose of comparing competitive bids to the current costs of providing services.~~

~~—— (c) The intermediate district develops a technology plan in accordance with department policy on behalf of all constituent districts within the intermediate district that integrates technology into the classroom and prepares teachers to use digital technologies as part of the instructional program of each of its constituent districts. An intermediate district that developed a technology plan in 2012-2013 or 2013-2014 shall continue to implement that technology plan in 2014-2015.~~

~~—— (d) The intermediate district provides to parents and community members a dashboard or report card demonstrating the intermediate district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the intermediate district for 2014-2015 and 2015-2016, a listing of all debt service obligations, detailed by project, including anticipated 2014-2015 payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:~~

~~—— (i) A list of services offered by the intermediate district that are shared by other local or intermediate districts and a list of the districts or intermediate districts that participate.~~

~~—— (ii) The total cost savings to local or other intermediate districts that share services with the intermediate district.~~

~~—— (iii) The number and percentage of teachers in the intermediate district service area that are trained to integrate~~

1 ~~technology into the classroom.~~

2 ~~—— (iv) The total funds received from levying special education~~
3 ~~and vocational education millages, and the number of special~~
4 ~~education and vocational education pupils served with those~~
5 ~~dollars.~~

6 ~~—— (v) The number and percentage of individualized education~~
7 ~~programs developed for special education pupils that contain~~
8 ~~academic goals.~~

9 ~~—— (e) The intermediate district works in a consortium with 1 or~~
10 ~~more other intermediate districts and the center to develop local~~
11 ~~information management system requirements and bid specifications~~
12 ~~that result in a recommended model information system that supports~~
13 ~~interoperability to ensure linkage and connectivity in a manner~~
14 ~~that facilitates the efficient exchange of data among districts,~~
15 ~~intermediate districts, and the center. At a minimum, these~~
16 ~~specifications shall include pupil management systems for both~~
17 ~~general and special education, learning management tools, and~~
18 ~~business services.~~

19 ~~—— (f) If an intermediate district provides medical, pharmacy,~~
20 ~~dental, vision, disability, long term care, or any other type of~~
21 ~~benefit that would constitute a health care services benefit, to~~
22 ~~employees and their dependents, the intermediate district is the~~
23 ~~policyholder for each of its insurance policies that covers 1 or~~
24 ~~more of these benefits. An intermediate district that does not~~
25 ~~directly employ its staff or an intermediate district with a~~
26 ~~voluntary employee beneficiary association that pays no more than~~
27 ~~the maximum per employee contribution amount and that contributes~~

1 ~~no more than the maximum employer contribution percentage of total~~
2 ~~annual costs for the medical benefit plans as described in sections~~
3 ~~3 and 4 of the publicly funded health insurance contribution act,~~
4 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~
5 ~~this requirement.~~

6 **(6) AN INTERMEDIATE DISTRICT SHALL USE AT LEAST A PORTION OF**
7 **THE INCREASED FUNDING UNDER THIS SECTION FOR 2015-2016 TO EXPLORE,**
8 **FACILITATE, AND IMPLEMENT SERVICE CONSOLIDATION AMONG AND BETWEEN**
9 **THE INTERMEDIATE DISTRICT AND ITS CONSTITUENT DISTRICTS.**

10 Sec. 94. (1) From the general fund appropriation in section
11 11, there is allocated to the department for ~~2014-2015~~**2015-2016** an
12 amount not to exceed \$250,000.00 for efforts to increase the number
13 of pupils who participate and succeed in advanced placement and
14 international baccalaureate programs.

15 (2) From the funds allocated under this section, the
16 department shall award funds to cover all or part of the costs of
17 advanced placement test fees or international baccalaureate test
18 fees for low-income pupils who take an advanced placement or an
19 international baccalaureate test. Payments shall not exceed \$20.00
20 per test completed.

21 (3) The department shall only award funds under this section
22 if the department determines that all of the following criteria are
23 met:

24 (a) Each pupil for whom payment is made meets eligibility
25 requirements of the federal advanced placement test fee program
26 under section 1701 of the no child left behind act of 2001, Public
27 Law 107-110.

1 (b) The tests are administered by the college board, the
2 international baccalaureate organization, or another test provider
3 approved by the department.

4 (c) The pupil for whom payment is made pays at least \$5.00
5 toward the cost of each test for which payment is made.

6 (4) The department shall establish procedures for awarding
7 funds under this section.

8 (5) Notwithstanding section 17b, payments under this section
9 shall be made on a schedule determined by the department.

10 Sec. 94a. (1) There is created within the state budget office
11 in the department of technology, management, and budget the center
12 for educational performance and information. The center shall do
13 all of the following:

14 (a) Coordinate the collection of all data required by state
15 and federal law from districts, intermediate districts, and
16 postsecondary institutions.

17 (b) Create, maintain, and enhance this state's P-20
18 longitudinal data system and ensure that it meets the requirements
19 of subsection (4).

20 (c) Collect data in the most efficient manner possible in
21 order to reduce the administrative burden on reporting entities,
22 including, but not limited to, electronic transcript services.

23 (d) Create, maintain, and enhance this state's web-based
24 educational portal to provide information to school leaders,
25 teachers, researchers, and the public in compliance with all
26 federal and state privacy laws. Data shall include, but are not
27 limited to, all of the following:

1 (i) Data sets that link teachers to student information,
2 allowing districts to assess individual teacher impact on student
3 performance and consider student growth factors in teacher and
4 principal evaluation systems.

5 (ii) Data access or, if practical, data sets, provided for
6 regional data warehouses that, in combination with local data, can
7 improve teaching and learning in the classroom.

8 (iii) Research-ready data sets for researchers to perform
9 research that advances this state's educational performance.

10 (e) Provide data in a useful manner to allow state and local
11 policymakers to make informed policy decisions.

12 (f) Provide public reports to the citizens of this state to
13 allow them to assess allocation of resources and the return on
14 their investment in the education system of this state.

15 (g) Other functions as assigned by the state budget director.

16 (2) Each state department, officer, or agency that collects
17 information from districts, intermediate districts, or
18 postsecondary institutions as required under state or federal law
19 shall make arrangements with the center to ensure that the state
20 department, officer, or agency is in compliance with subsection
21 (1). This subsection does not apply to information collected by the
22 department of treasury under the uniform budgeting and accounting
23 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
24 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
25 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
26 388.1939; or section 1351a of the revised school code, MCL
27 380.1351a.

1 (3) The center may enter into any interlocal agreements
2 necessary to fulfill its functions.

3 (4) The center shall ensure that the P-20 longitudinal data
4 system required under subsection (1)(b) meets all of the following:

5 (a) Includes data at the individual student level from
6 preschool through postsecondary education and into the workforce.

7 (b) Supports interoperability by using standard data
8 structures, data formats, and data definitions to ensure linkage
9 and connectivity in a manner that facilitates the exchange of data
10 among agencies and institutions within the state and between
11 states.

12 (c) Enables the matching of individual teacher and student
13 records so that an individual student may be matched with those
14 teachers providing instruction to that student.

15 (d) Enables the matching of individual teachers with
16 information about their certification and the institutions that
17 prepared and recommended those teachers for state certification.

18 (e) Enables data to be easily generated for continuous
19 improvement and decision-making, including timely reporting to
20 parents, teachers, and school leaders on student achievement.

21 (f) Ensures the reasonable quality, validity, and reliability
22 of data contained in the system.

23 (g) Provides this state with the ability to meet federal and
24 state reporting requirements.

25 (h) For data elements related to preschool through grade 12
26 and postsecondary, meets all of the following:

27 (i) Contains a unique statewide student identifier that does

1 not permit a student to be individually identified by users of the
2 system, except as allowed by federal and state law.

3 (ii) Contains student-level enrollment, demographic, and
4 program participation information.

5 (iii) Contains student-level information about the points at
6 which students exit, transfer in, transfer out, drop out, or
7 complete education programs.

8 (iv) Has the capacity to communicate with higher education
9 data systems.

10 (i) For data elements related to preschool through grade 12
11 only, meets all of the following:

12 (i) Contains yearly test records of individual students for
13 assessments approved by DED-OESE for accountability purposes under
14 section 1111(b) of the elementary and secondary education act of
15 1965, 20 USC 6311, including information on individual students not
16 tested, by grade and subject.

17 (ii) Contains student-level transcript information, including
18 information on courses completed and grades earned.

19 (iii) Contains student-level college readiness test scores.

20 (j) For data elements related to postsecondary education only:

21 (i) Contains data that provide information regarding the
22 extent to which individual students transition successfully from
23 secondary school to postsecondary education, including, but not
24 limited to, all of the following:

25 (A) Enrollment in remedial coursework.

26 (B) Completion of 1 year's worth of college credit applicable
27 to a degree within 2 years of enrollment.

1 (ii) Contains data that provide other information determined
2 necessary to address alignment and adequate preparation for success
3 in postsecondary education.

4 (5) From the general fund appropriation in section 11, there
5 is allocated an amount not to exceed ~~\$12,022,800.00 for 2014-2015~~
6 **\$11,967,000.00 FOR 2015-2016** to the department of technology,
7 management, and budget to support the operations of the center. In
8 addition, from the federal funds appropriated in section 11 there
9 is allocated for ~~2014-2015~~**2015-2016** the amount necessary,
10 estimated at \$193,500.00, to support the operations of the center
11 and to establish a P-20 longitudinal data system ~~as provided under~~
12 ~~this section in compliance with the assurance provided to the~~
13 ~~United States department of education in order to receive state~~
14 ~~fiscal stabilization funds.~~ **NECESSARY FOR STATE AND FEDERAL**
15 **REPORTING PURPOSES.** The center shall cooperate with the department
16 to ensure that this state is in compliance with federal law and is
17 maximizing opportunities for increased federal funding to improve
18 education in this state.

19 (6) From the funds allocated in subsection (5), ~~there is~~
20 ~~allocated for 2014-2015 an amount not to exceed \$850,000.00~~ **THE**
21 **CENTER MAY USE AN AMOUNT DETERMINED BY THE CENTER FOR 2015-2016** for
22 competitive grants to support collaborative efforts on the P-20
23 longitudinal data system. All of the following apply to grants
24 awarded under this subsection:

25 (a) The center shall award competitive grants to eligible
26 intermediate districts or a consortium of intermediate districts
27 based on criteria established by the center.

(b) Activities funded under the grant shall support the P-20 longitudinal data system portal and may include portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials, and professional learning tools and activities aimed at improving the utility of the P-20 longitudinal data system.

(c) An applicant that received a grant under this subsection for the immediately preceding fiscal year shall receive priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

(7) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(8) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(9) As used in this section:

(a) "DED-OESE" means the United States ~~department of education~~
~~office of elementary and secondary education.~~ **DEPARTMENT OF**

1 **EDUCATION OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

2 (b) "State education agency" means the department.

3 Sec. 95a. (1) The educator evaluation reserve fund is created
4 as a separate account within the state school aid fund.

5 (2) The state treasurer may receive money or other assets from
6 any source for deposit into the educator evaluation reserve fund.

7 The state treasurer shall direct the investment of the educator
8 evaluation reserve fund. The state treasurer shall credit to the
9 educator evaluation reserve fund interest and earnings from the
10 educator evaluation reserve fund.

11 (3) Money in the educator evaluation reserve fund at the close
12 of the fiscal year shall remain in the educator evaluation reserve
13 fund and shall not lapse to the state school aid fund or to the
14 general fund. The department of treasury shall be the administrator
15 of the educator evaluation reserve fund for auditing purposes.

16 (4) From the appropriations in section 11, there is allocated
17 to the educator evaluation reserve fund for 2014-2015 an amount not
18 to exceed ~~\$12,100,000.00~~ **\$650,000.00** from the state school aid fund
19 and an amount not to exceed ~~\$2,700,000.00~~ **\$0.00** from the general
20 fund. Subject to subsections (5) and (6), the department shall
21 expend the money in the educator evaluation reserve fund for
22 implementing evaluation systems for public school teachers and
23 school administrators.

24 ~~—— (5) Funds in the educator evaluation reserve fund shall not be~~
25 ~~expended unless House Bill Nos. 5223 and 5224 of the 97th~~
26 ~~Legislature are enacted into law.~~

27 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall

1 not be expended unless the state budget office has approved the
2 department's spending plan.

3 Sec. 98. (1) From the general fund money appropriated in
4 section 11, there is allocated an amount not to exceed
5 \$7,387,500.00 for ~~2014-2015-2015-2016~~ for the purposes described in
6 this section.

7 (2) The Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall
8 operate the Michigan ~~virtual learning research institute.~~ **VIRTUAL**
9 **LEARNING RESEARCH INSTITUTE**. The Michigan ~~virtual learning research~~
10 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall do all of the
11 following:

12 (a) Support and accelerate innovation in education through the
13 following activities:

14 (i) Test, evaluate, and recommend as appropriate new
15 technology-based instructional tools and resources.

16 (ii) Research, design, and recommend digital education
17 delivery models for use by pupils and teachers that include age-
18 appropriate multimedia instructional content.

19 (iii) Research, develop, and recommend annually to the
20 department criteria by which cyber schools and online course
21 providers should be monitored and evaluated to ensure a quality
22 education for their pupils.

23 (iv) Based on pupil completion and performance data reported
24 to the department or the center for educational performance and
25 information from cyber schools and other online course providers
26 operating in this state, analyze the effectiveness of online
27 learning delivery models in preparing pupils to be college- and

1 career-ready and publish a report that highlights enrollment
2 totals, completion rates, and the overall impact on pupils. The
3 report shall be submitted to the house and senate appropriations
4 subcommittees on state school aid, the state budget director, the
5 house and senate fiscal agencies, and the department not later than
6 ~~December 1, 2015.~~ **MARCH 31, 2016.**

7 (v) Before August 31, ~~2015,~~ **2016**, provide an extensive
8 professional development program to at least 500 educational
9 personnel, including teachers, school administrators, and school
10 board members, that focuses on the effective integration of digital
11 learning into curricula and instruction. Not later than December 1,
12 ~~2015,~~ **2016**, the Michigan ~~virtual learning research institute~~
13 **VIRTUAL LEARNING RESEARCH INSTITUTE** shall submit a report to the
14 house and senate appropriations subcommittees on state school aid,
15 the state budget director, the house and senate fiscal agencies,
16 and the department on the number and percentage of teachers, school
17 administrators, and school board members who have received
18 professional development services from the Michigan ~~virtual~~
19 ~~university.~~ **VIRTUAL UNIVERSITY.** The report shall also identify
20 barriers and other opportunities to encourage the adoption of
21 digital learning in the public education system.

22 (vi) Identify and share best practices for planning,
23 implementing, and evaluating online and blended education delivery
24 models with intermediate districts, districts, and public school
25 academies to accelerate the adoption of innovative education
26 delivery models statewide.

27 (b) Provide leadership for this state's system of digital

1 learning education by doing the following activities:

2 (i) Develop and report policy recommendations to the governor
3 and the legislature that accelerate the expansion of effective
4 online learning in this state's schools.

5 (ii) Provide a clearinghouse for research reports, academic
6 studies, evaluations, and other information related to online
7 learning.

8 (iii) Promote and distribute the most current instructional
9 design standards and guidelines for online teaching.

10 (iv) In collaboration with the department and interested
11 colleges and universities in this state, support implementation and
12 improvements related to effective digital learning instruction.

13 (v) Pursue public/private partnerships that include districts
14 to study and implement competency-based technology-rich online
15 learning models.

16 **(vi) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS**
17 **SERVING AS LIAISONS BETWEEN PUPILS, ONLINE INSTRUCTORS, PARENTS,**
18 **AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-BASED TRAINING**
19 **AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE PUPILS BE SUCCESSFUL**
20 **ONLINE LEARNERS.**

21 **(vii) ~~(vi)~~**—Convene focus groups and conduct annual surveys of
22 teachers, administrators, pupils, parents, and others to identify
23 barriers and opportunities related to online learning.

24 **(viii) ~~(vii)~~**—Produce an annual consumer awareness report for
25 schools and parents about effective online education providers and
26 education delivery models, performance data, cost structures, and
27 research trends.

1 **(ix)** ~~(viii)~~ Research and establish an internet-based platform
 2 that educators can use to create student-centric learning tools and
 3 resources and facilitate a user network that assists educators in
 4 using the platform. As part of this initiative, the Michigan
 5 virtual university shall work collaboratively with districts and
 6 intermediate districts to establish a plan to make available online
 7 resources that align to Michigan's K-12 curriculum standards for
 8 use by students, educators, and parents.

9 **(x)** ~~(ix)~~ Create and maintain a public statewide catalog of
 10 online learning courses being offered by all public schools **AND**
 11 **COMMUNITY COLLEGES** in this state. The Michigan ~~virtual learning~~
 12 ~~research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall
 13 identify and develop a list of nationally recognized best practices
 14 for online learning and use this list to support reviews of online
 15 course vendors, courses, and instructional practices. The Michigan
 16 ~~virtual learning research institute~~ **VIRTUAL LEARNING RESEARCH**
 17 **INSTITUTE** shall also provide a mechanism for intermediate districts
 18 to use the identified best practices to review content offered by
 19 constituent districts. The Michigan ~~virtual learning research~~
 20 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall review the
 21 online course offerings of the Michigan ~~virtual university,~~ **VIRTUAL**
 22 **UNIVERSITY**, and make the results from these reviews available to
 23 the public as part of the statewide catalog. The Michigan ~~virtual~~
 24 ~~learning research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE**
 25 shall ensure that the statewide catalog is made available to the
 26 public on the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**
 27 website and shall allow the ability to link it to each district's

1 website as provided for in section 21f. ~~Beginning in 2014-2015, the~~
2 **THE** statewide catalog shall also contain all of the following:

3 (A) The number of enrollments in each online course in the
4 immediately preceding school year.

5 (B) The number of enrollments that earned 60% or more of the
6 total course points for each online course in the immediately
7 preceding school year.

8 (C) The completion rate for each online course.

9 **(xi)** ~~(x) Collaborate with key stakeholders to examine the need~~
10 ~~and process for incorporating~~ **DEVELOP PROTOTYPE AND PILOT**
11 registration, payment services, and transcript functionality to the
12 statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE NEW**
13 **FEATURES.**

14 **(xii)** ~~(xi)~~ Collaborate with key stakeholders to examine
15 district level accountability and teacher effectiveness issues
16 related to online learning under section 21f and make findings and
17 recommendations publicly available.

18 ~~(3) In order for the Michigan virtual university to receive~~
19 ~~any funds allocated under this section, the~~ **TO FURTHER ENHANCE ITS**
20 **EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN VIRTUAL**
21 **UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS**
22 **A STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY**
23 **IMPLEMENTING ONLINE AND BLENDED LEARNING SOLUTIONS FOR MICHIGAN**
24 **SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:**

25 **(A) THE** ~~Michigan virtual school~~ **VIRTUAL SCHOOL** must maintain
26 its accreditation status from recognized national and international
27 accrediting entities.

1 (B) THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN
2 \$1,000,000.00 OF THE AMOUNT ALLOCATED UNDER THIS SECTION TO
3 SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.

4 (C) IN PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF
5 ONLINE COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN
6 VIRTUAL SCHOOL SHALL FOLLOW THE REQUIREMENTS TO REQUEST AND ASSESS,
7 AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A CRIMINAL
8 HISTORY CHECK AND CRIMINAL RECORDS CHECK UNDER SECTIONS 1230 AND
9 1230A OF THE REVISED SCHOOL CODE, MCL 380.1230 AND 380.1230A, IN
10 THE SAME MANNER AS IF THE MICHIGAN VIRTUAL SCHOOL WERE A DISTRICT.

11 (4) If the course offerings are included in the statewide
12 catalog of online courses under subsection (2) (b) (ix), the Michigan
13 ~~virtual school~~ **VIRTUAL SCHOOL** operated by the Michigan ~~virtual~~
14 ~~university~~ **VIRTUAL UNIVERSITY** may offer online course offerings,
15 including, but not limited to, all of the following:

16 (a) Information technology courses.

17 (b) College level equivalent courses, as defined in section
18 1471 of the revised school code, MCL 380.1471.

19 (c) Courses and dual enrollment opportunities.

20 (d) Programs and services for at-risk pupils.

21 (e) General education development test preparation courses for
22 adjudicated youth.

23 (f) Special interest courses.

24 (g) Professional development programs for teachers, school
25 administrators, other school employees, and school board members.

26 (5) If a home-schooled or nonpublic school student is a
27 resident of a district that subscribes to services provided by the

1 Michigan ~~virtual school~~, **VIRTUAL SCHOOL**, the student may use the
 2 services provided by the Michigan ~~virtual school~~ **VIRTUAL SCHOOL** to
 3 the district without charge to the student beyond what is charged
 4 to a district pupil using the same services.

5 (6) Not later than December 1 of each fiscal year, the
 6 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall provide a
 7 report to the house and senate appropriations subcommittees on
 8 state school aid, the state budget director, the house and senate
 9 fiscal agencies, and the department that includes at least all of
 10 the following information related to the Michigan ~~virtual school~~
 11 **VIRTUAL SCHOOL** for the preceding state fiscal year:

12 (a) A list of the districts served by the Michigan ~~virtual~~
 13 ~~school~~ **VIRTUAL SCHOOL**.

14 (b) A list of online course titles available to districts.

15 (c) The total number of online course enrollments and
 16 information on registrations and completions by course.

17 (d) The overall course completion rate percentage.

18 (7) The governor may appoint an advisory group for the
 19 Michigan ~~virtual learning research institute~~ **VIRTUAL LEARNING**
 20 **RESEARCH INSTITUTE** established under subsection (2). The members of
 21 the advisory group shall serve at the pleasure of the governor and
 22 shall serve without compensation. The purpose of the advisory group
 23 is to make recommendations to the governor, the legislature, and
 24 the president and board of the Michigan ~~virtual university~~ **VIRTUAL**
 25 **UNIVERSITY** that will accelerate innovation in this state's
 26 education system in a manner that will prepare elementary and
 27 secondary students to be career and college ready and that will

1 promote the goal of increasing the percentage of citizens of this
2 state with high-quality degrees and credentials to at least 60% by
3 2025.

4 (8) Not later than November 1, ~~2014~~, **2015**, the Michigan
5 ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the house and
6 senate appropriations subcommittees on state school aid, the state
7 budget director, and the house and senate fiscal agencies a
8 detailed budget for the ~~2014-2015~~ **2015-2016** fiscal year that
9 includes a breakdown on its projected costs to deliver online
10 educational services to districts and a summary of the anticipated
11 fees to be paid by districts for those services. ~~Beginning in 2013-~~
12 ~~2014, not~~ **NOT** later than February 1, **MARCH 1 EACH YEAR**, the
13 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the
14 house and senate appropriations subcommittees on state school aid,
15 the state budget director, and the house and senate fiscal agencies
16 a breakdown on its actual costs to deliver online educational
17 services to districts and a summary of the actual fees paid by
18 districts for those services based on audited financial statements
19 for the immediately preceding fiscal year.

20 (9) As used in this section:

21 (a) "Blended learning" means a hybrid instructional delivery
22 model where pupils are provided content, instruction, and
23 assessment, in part at a supervised educational facility away from
24 home where the pupil and a teacher with a valid Michigan teaching
25 certificate are in the same physical location and in part through
26 ~~internet-connected~~ **INTERNET-CONNECTED** learning environments with
27 some degree of pupil control over time, location, and pace of

1 instruction.

2 (b) "Cyber school" means a full-time instructional program of
3 online courses for pupils that may or may not require attendance at
4 a physical school location.

5 (c) "Digital learning" means instruction delivered via a web-
6 based educational delivery system that uses various information
7 technologies to provide a structured learning environment,
8 including online and blended learning instructional methods.

9 (d) "Online course" means a course of study that is capable of
10 generating a credit or a grade, that is provided in an interactive
11 internet-connected learning environment, in which pupils are
12 separated from their teachers by time or location, or both, and in
13 which a teacher who holds a valid Michigan teaching certificate is
14 responsible for **PROVIDING INSTRUCTION**, determining appropriate
15 instructional methods for each pupil, diagnosing learning needs,
16 assessing pupil learning, prescribing intervention strategies,
17 reporting outcomes, and evaluating the effects of instruction and
18 support strategies.

19 Sec. 99. (1) From the funds appropriated in section 11, there
20 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
21 ~~\$2,750,000.00~~ **\$3,750,000.00** from the state school aid fund and an
22 amount not to exceed \$475,000.00 from the general fund to support
23 the activities and programs of mathematics and science centers and
24 for other purposes as described in this section. In addition, from
25 the federal funds appropriated in section 11, there is allocated
26 for ~~2014-2015-2015-2016~~ an amount estimated at \$5,249,300.00 from
27 DED-OESE, title II, mathematics and science partnership grants.

1 (2) Within a service area designated locally, approved by the
2 department, and consistent with the comprehensive master plan for
3 mathematics and science centers developed by the department and
4 approved by the state board, an established mathematics and science
5 center shall provide 2 or more of the following 6 basic services,
6 as described in the master plan, to constituent districts and
7 communities: leadership, pupil services, curriculum support,
8 community involvement, professional development, and resource
9 clearinghouse services.

10 (3) The department shall not award a state grant under this
11 section to more than 1 mathematics and science center located in a
12 designated region as prescribed in the 2007 master plan unless each
13 of the grants serves a distinct target population or provides a
14 service that does not duplicate another program in the designated
15 region.

16 (4) As part of the technical assistance process, the
17 department shall provide minimum standard guidelines that may be
18 used by the mathematics and science center for providing fair
19 access for qualified pupils and professional staff as prescribed in
20 this section.

21 (5) Allocations under this section to support the activities
22 and programs of mathematics and science centers shall be continuing
23 support grants to all 33 established mathematics and science
24 centers. Each established mathematics and science center that was
25 funded in the immediately preceding fiscal year shall receive state
26 funding in an amount equal to 100% of the amount it was allocated
27 under this subsection for the immediately preceding fiscal year. If

1 a center declines state funding or a center closes, the remaining
2 money available under this section shall be distributed to the
3 remaining centers, as determined by the department.

4 (6) From the funds allocated in subsection (1), there is
5 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
6 \$750,000.00 in a form and manner determined by the department to
7 those centers able to provide curriculum and professional
8 development support to assist districts in implementing the
9 Michigan merit curriculum components for mathematics and science.
10 Funding under this subsection is in addition to funding allocated
11 under subsection (5).

12 (7) From the general fund money allocated in subsection (1),
13 there is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
14 \$100,000.00 to the Michigan STEM partnership, to be used to
15 administer the grant process under this subsection. From the
16 general fund money allocated in subsection (1), there is allocated
17 for ~~2014-2015-2015-2016~~ an amount not to exceed \$375,000.00 to the
18 Michigan STEM partnership to be used for a competitive grant
19 process to award competitive grants to organizations conducting
20 student-focused, project-based programs and competitions, either in
21 the classroom or extracurricular, in science, technology,
22 engineering, and mathematics subjects such as, but not limited to,
23 robotics, coding, and design-build-test projects, from pre-
24 kindergarten through college level. Funding under this subsection
25 is in addition to funding allocated under subsection (5) and shall
26 be used for connecting mathematics and science centers for science,
27 technology, engineering, and mathematics purposes and to support

1 the goals of the Michigan STEM partnership. A program receiving
2 funds under section 99h may not receive funds under this
3 subsection.

4 (8) In order to receive state or federal funds under this
5 section, a grant recipient shall allow access for the department or
6 the department's designee to audit all records related to the
7 program for which it receives such funds. The grant recipient shall
8 reimburse the state for all disallowances found in the audit.

9 (9) Not later than September 30, 2018, the department shall
10 reevaluate and update the comprehensive master plan described in
11 subsection (1).

12 (10) The department shall give preference in awarding the
13 federal grants allocated in subsection (1) to eligible existing
14 mathematics and science centers.

15 (11) In order to receive state funds under this section, a
16 grant recipient shall provide at least a 10% local match from local
17 public or private resources for the funds received under this
18 section.

19 (12) Not later than July 1 of each year, a mathematics and
20 science center that receives funds under this section shall report
21 to the department in a form and manner prescribed by the department
22 on the following performance measures:

23 (a) Statistical change in pre- and post-assessment scores for
24 students who enrolled in mathematics and science activities
25 provided to districts by the mathematics and science center.

26 (b) Statistical change in pre- and post-assessment scores for
27 teachers who enrolled in professional development activities

1 provided by the mathematics and science center.

2 (13) As used in this section:

3 (a) "DED" means the United States ~~department of~~
4 ~~education.~~ **DEPARTMENT OF EDUCATION.**

5 (b) "DED-OESE" means the DED ~~office of elementary and~~
6 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

7 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
8 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**
9 **FOR 2015-2016 FOR THE PURPOSE OF CIVIC EDUCATION AS DESCRIBED IN**
10 **THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE GRANT**
11 **PROCESS THAT AWARDS FUNDING TO NOT MORE THAN 1 PROVIDER FOR THE**
12 **DELIVERY OF PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC**
13 **EDUCATION. THE PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND**
14 **HIGH SCHOOL PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND**
15 **STATE GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND**
16 **HIGH SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE**
17 **HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY.**
18 **THE GRANTEE ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS STATE**
19 **BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER THIS**
20 **SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE**
21 **CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND**
22 **INTERMEDIATE DISTRICTS.**

23 Sec. 99h. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed \$2,000,000.00 for ~~2014-2015-2015-~~
25 **2016** for competitive grants to districts that provide pupils in
26 grades 7 to 12 with expanded opportunities to improve mathematics,
27 science, and technology skills by participating in events hosted by

1 a science and technology development program known as FIRST (for
2 inspiration and recognition of science and technology) robotics.

3 (2) A district applying for a FIRST tech challenge or FIRST
4 robotics competition program grant shall submit an application in a
5 form and manner determined by the department. To be eligible for a
6 grant, a district shall demonstrate in its application that the
7 district has established a partnership for the purposes of the
8 FIRST program with at least 1 sponsor, business entity, higher
9 education institution, or technical school, shall submit a spending
10 plan, and shall pay at least 25% of the cost of the FIRST robotics
11 program.

12 (3) The department shall distribute the grant funding under
13 this section for the following purposes:

14 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
15 coach per team, distributed as follows:

16 (i) Not more than 500 stipends for coaches of high school
17 teams, including existing teams.

18 (ii) Not more than 100 stipends for coaches of middle school
19 or junior high teams, including existing teams.

20 (iii) If the requests for stipends exceed the numbers of
21 stipends allowed under subparagraphs (i) and (ii), and if there is
22 funding remaining unspent under subdivisions (b) and (c), the
23 department shall use that remaining unspent funding for grants to
24 districts to pay for additional stipends in a manner that expands
25 the geographical distribution of teams.

26 (b) Grants to districts for event registrations, materials,
27 travel costs, and other expenses associated with the preparation

1 for and attendance at FIRST tech challenge and FIRST robotics
 2 competitions. Each grant recipient shall provide a local match from
 3 other private or local funds for the funds received under this
 4 subdivision equal to at least 50% of the costs of participating in
 5 an event. The department shall set maximum grant amounts under this
 6 subdivision in a manner that maximizes the number of teams that
 7 will be able to receive funding.

8 (c) Grants to districts for awards to teams that advance to
 9 the state and world championship competitions. The department shall
 10 determine an equal amount per team for those teams that advance to
 11 the state championship and a second equal award amount to those
 12 teams that advance to the world championship.

13 (4) The funds allocated under this section are a work project
 14 appropriation, and any unexpended funds for ~~2014-2015-2015-2016~~ are
 15 carried forward into ~~2015-2016.~~ **2016-2017.** The purpose of the work
 16 project is to continue to implement the projects described under
 17 subsection (1). The estimated completion date of the work project
 18 is September 30, ~~2017.~~ **2018.**

19 Sec. 102. (1) A district or intermediate district receiving
 20 money under this article shall not adopt or operate under a deficit
 21 budget, and a district or intermediate district shall not incur an
 22 operating deficit in a fund during a school fiscal year. ~~A-IF A~~
 23 district or intermediate district ~~that~~ has an existing deficit fund
 24 balance, ~~that~~ incurs a deficit fund balance in the most recently
 25 completed school fiscal year, or ~~that~~ adopts a current year budget
 26 that projects a deficit fund balance, ~~shall not be allotted or paid~~
 27 ~~a further sum under this article~~ **THE DISTRICT OR INTERMEDIATE**

1 DISTRICT SHALL IMMEDIATELY NOTIFY THE SUPERINTENDENT AND STATE
2 TREASURER AND WITHIN 30 DAYS OF THAT NOTIFICATION SUBMIT TO THE
3 SUPERINTENDENT AND THE STATE TREASURER A PREPLAN FINANCIAL REPORT
4 IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY.
5 THE DEPARTMENT MAY WITHHOLD SOME OR ALL OF THE MONEY PAYABLE TO THE
6 DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE AS THE
7 SUPERINTENDENT DETERMINES NECESSARY TO INCENTIVIZE THE DISTRICT OR
8 INTERMEDIATE DISTRICT TO ELIMINATE THE DEFICIT until the district
9 or intermediate district submits to the department for approval a
10 budget for the current school fiscal year and ~~a plan to eliminate~~
11 ~~the district's or intermediate district's deficit not later than~~
12 ~~the end of the second school fiscal year after the deficit was~~
13 ~~incurred or the budget projecting a deficit was adopted. Withheld~~
14 ~~state aid payments~~ A DEFICIT ELIMINATION PLAN IN THE FORM AND
15 MANNER PRESCRIBED BY THE DEPARTMENT OR THE DEFICIT ELIMINATION PLAN
16 IS APPROVED BY THE DEPARTMENT. THE DEPARTMENT MAY REQUIRE A DEFICIT
17 ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE DISTRICT OR
18 INTERMEDIATE DISTRICT. MONEY WITHHELD UNDER THIS SECTION shall be
19 released after the department approves the deficit elimination
20 plan. ~~and ensures that the budget for the current school fiscal~~
21 ~~year is balanced.~~ After the department approves a district's or
22 intermediate district's deficit elimination plan, the district or
23 intermediate district shall post the deficit elimination plan on
24 the district's or intermediate district's website.

25 (2) Not later than March 1 of each year, the department shall
26 prepare a report of deficits incurred or projected by districts and
27 intermediate districts in the immediately preceding fiscal year and

1 the progress made in reducing those deficits and submit the report
 2 to the standing committees of the legislature responsible for K-12
 3 education legislation, the appropriations subcommittees of the
 4 legislature responsible for K-12 ~~education~~ **SCHOOL AID**
 5 appropriations, the house and senate fiscal agencies, the state
 6 treasurer, and the state budget director. The department also shall
 7 submit quarterly interim reports concerning the progress made by
 8 districts and intermediate districts in reducing those deficits **TO**
 9 **THE STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12**
 10 **EDUCATION LEGISLATION, THE APPROPRIATIONS SUBCOMMITTEES OF THE**
 11 **LEGISLATURE RESPONSIBLE FOR K-12 SCHOOL AID APPROPRIATIONS, THE**
 12 **HOUSE AND SENATE FISCAL AGENCIES, THE STATE TREASURER, AND THE**
 13 **STATE BUDGET DIRECTOR.** On a quarterly basis, the superintendent of
 14 public instruction shall publicly present those reports to the
 15 appropriations subcommittees of the legislature responsible for K-
 16 12 education appropriations.

17 ~~—— (3) The amount of the permissible deficit for each school~~
 18 ~~fiscal year shall not exceed the amount of state aid reduced by an~~
 19 ~~executive order during that school fiscal year.~~

20 (3) ~~(4)~~ A district or intermediate district that has an
 21 existing deficit fund balance, that incurs a deficit fund balance
 22 in the most recently completed school fiscal year, or that adopts a
 23 current year budget that projects a deficit fund balance shall
 24 submit to the department **AND THE STATE TREASURER** a monthly
 25 monitoring report on revenue and expenditures in a form and manner
 26 prescribed by the department and shall post these reports on its
 27 website.

1 (4) ~~(5)~~ If a district or intermediate district is ~~not able to~~
 2 ~~comply with the provisions of this section, the district or~~
 3 ~~intermediate district shall submit to the department a plan to~~
 4 ~~eliminate its deficit. Upon approval of the plan submitted,~~
 5 **REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN UNDER THIS SECTION,**
 6 **AND THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT,** the
 7 superintendent ~~of public instruction~~ may continue allotment and
 8 payment of funds under this article. ~~, extend~~ **WHEN APPROVING A**
 9 **DEFICIT ELIMINATION PLAN, THE SUPERINTENDENT MAY ESTABLISH** the
 10 period of time in which a district or intermediate district has to
 11 eliminate its deficit, and set special conditions that the district
 12 or intermediate district must meet ~~during the period of the~~
 13 ~~extension.~~ **WHILE THE DEFICIT ELIMINATION IS IN EFFECT.** After the
 14 department approves a district's or intermediate district's deficit
 15 elimination plan under this subsection, the district or
 16 intermediate district shall post the deficit elimination plan on
 17 the district's or intermediate district's website. **THE REQUIREMENTS**
 18 **OF THIS SECTION RELATING TO A DEFICIT ELIMINATION PLAN DO NOT APPLY**
 19 **TO A DISTRICT OR INTERMEDIATE DISTRICT IF THE DISTRICT OR**
 20 **INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT**
 21 **ELIMINATION PLAN UNDER SUBSECTION (5).**

22 (5) IF THE STATE TREASURER DETERMINES THAT FINANCIAL STRESS IS
 23 EVIDENT, THE STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE
 24 DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN IN ORDER TO
 25 ENSURE THAT THE DEFICIT DOES NOT BECOME UNMANAGEABLE AND TRIGGER
 26 ACTION UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA
 27 436, MCL 141.1541 TO 141.1575. AN ENHANCED DEFICIT ELIMINATION PLAN

1 SHALL PROVIDE FOR THE RESOLUTION OF THE DETERIORATING FINANCIAL
2 CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER
3 INDICATORS OF RECURRING OPERATING DEFICITS OR RECURRING FINANCIAL
4 STRESS AND IS SUBJECT TO APPROVAL BY THE STATE TREASURER. AS A
5 CONDITION OF APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE
6 STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE DISTRICT
7 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS
8 SECTION TO ENTER INTO A FINANCIAL RECOVERY AGREEMENT WITH THE STATE
9 TREASURER. A FINANCIAL RECOVERY AGREEMENT MAY PROVIDE FOR, BUT IS
10 NOT LIMITED TO, ALL OF THE FOLLOWING:

11 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY
12 AND OTHER STATE DEPARTMENTS AND AGENCIES.

13 (B) AN ACADEMIC PLAN FOR THE DISTRICT.

14 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH.

15 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ARTICLE OR
16 THE REVISED SCHOOL CODE NECESSARY TO ADDRESS THE FINANCIAL
17 CIRCUMSTANCES OF THE DISTRICT OR INTERMEDIATE DISTRICT.

18 (E) THE REQUIRED RETENTION BY THE DISTRICT OR INTERMEDIATE
19 DISTRICT OF A CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE
20 OF ASSISTING THE DISTRICT OR INTERMEDIATE DISTRICT TO ACHIEVE THE
21 GOALS AND OBJECTIVES OF THE FINANCIAL RECOVERY AGREEMENT.

22 (6) BEFORE A DISTRICT OR INTERMEDIATE DISTRICT SUBMITS AN
23 ENHANCED DEFICIT ELIMINATION PLAN TO THE STATE TREASURER UNDER
24 SUBSECTION (5), THE BOARD OF THE DISTRICT OR INTERMEDIATE DISTRICT
25 SHALL APPROVE THE PLAN. IF A DISTRICT OR INTERMEDIATE DISTRICT IS
26 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER
27 SUBSECTION (5), SOME OR ALL OF THE MONEY PAYABLE TO THE DISTRICT OR

1 INTERMEDIATE DISTRICT UNDER THIS ARTICLE MAY BE WITHHELD AND
2 RELEASED IN THE SAME MANNER AS PROVIDED UNDER SUBSECTION (1). WHEN
3 APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE STATE TREASURER
4 MAY ESTABLISH THE PERIOD OF TIME WITHIN WHICH A DISTRICT OR
5 INTERMEDIATE DISTRICT MUST ELIMINATE ITS DEFICIT AND MAY SET
6 SPECIAL CONDITIONS THAT THE DISTRICT OR INTERMEDIATE DISTRICT MUST
7 MEET WHILE THE DEFICIT ELIMINATION PLAN IS IN EFFECT.

8 (7) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT
9 ELIMINATION PLAN FOR A DISTRICT OR INTERMEDIATE DISTRICT, THE
10 DISTRICT OR INTERMEDIATE DISTRICT SHALL POST THE ENHANCED DEFICIT
11 ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S
12 WEBSITE.

13 (8) IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO
14 SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5),
15 THE DISTRICT OR INTERMEDIATE DISTRICT SHALL SUBMIT TO THE
16 SUPERINTENDENT AND THE STATE TREASURER AN ENHANCED MONTHLY
17 MONITORING REPORT ON REVENUE, EXPENDITURES, CASH FLOW, DEBT, OTHER
18 LIABILITIES, ASSETS, BUDGET AMENDMENTS, PUPIL MEMBERSHIP, AND OTHER
19 DATA RELATING TO THE FINANCES OF THE DISTRICT OR INTERMEDIATE
20 DISTRICT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF
21 TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

22 (9) AN ALLOCATION TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER
23 THIS ARTICLE IS CONTINGENT UPON THE DISTRICT'S OR INTERMEDIATE
24 DISTRICT'S COMPLIANCE WITH THIS SECTION.

25 (10) A DISTRICT OR INTERMEDIATE DISTRICT REQUIRED TO SUBMIT A
26 DEFICIT ELIMINATION PLAN OR ENHANCED DEFICIT ELIMINATION PLAN SHALL
27 ENSURE THAT THE ACADEMIC PLAN INCLUDES ATTEMPTS TO EXHAUST ALL

1 RESOURCES UNDER SECTIONS 35A TO 35G.

2 (11) ~~(6) For the purposes of~~ AS USED IN this section: ~~7~~
3 "deficit"

4 (A) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER
5 THIS SECTION FOR THE ELIMINATION OF A DEFICIT THAT SETS FORTH
6 ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT WITHIN THE TIME PERIOD
7 PRESCRIBED BY THE DEPARTMENT.

8 (B) "DEFICIT fund balance" means that term as defined in the
9 Michigan public school accounting manual published by the
10 department.

11 (C) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES
12 REQUIRED BY THE STATE TREASURER UNDER THIS SECTION TO ADDRESS THE
13 FINANCIAL CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT AND
14 RESOLVE ANY DEFICIT WITHIN THE TIME PERIOD PRESCRIBED BY THE STATE
15 TREASURER.

16 (D) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL
17 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT, REQUIRED
18 UNDER THIS SECTION AND SUBMITTED IN A FORM AND MANNER PRESCRIBED BY
19 THE STATE TREASURER, WHICH MAY INCLUDE, BUT IS NOT LIMITED TO,
20 FINANCIAL DATA AND OTHER INFORMATION ON LIABILITIES, PAYMENTS,
21 ENROLLMENT, BORROWING, AND OTHER CRITERIA RELATING TO THE FINANCIAL
22 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT.

23 SEC. 102A. (1) BEFORE JULY 7 OF EACH YEAR, EACH DISTRICT
24 RECEIVING MONEY UNDER THIS ARTICLE SHALL TRANSMIT TO THE CENTER THE
25 BUDGETARY ASSUMPTIONS USED BY THE DISTRICT WHEN ADOPTING ITS ANNUAL
26 BUDGET PURSUANT TO THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968
27 PA 2, MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY

1 ASSUMPTIONS UNDER THIS SECTION SHALL BE IN THE FORM PRESCRIBED BY
2 THE CENTER AND SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

3 (A) THE PROJECTED FOUNDATION ALLOWANCE USED BY THE DISTRICT
4 WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL
5 YEAR.

6 (B) THE DISTRICT'S PROJECTED MEMBERSHIP USED BY THE DISTRICT
7 WHEN ADOPTING ITS BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

8 (C) THE DISTRICT'S EXPENDITURES PER-PUPIL FOR THE IMMEDIATELY
9 PRECEDING SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE DISTRICT'S
10 TOTAL GENERAL FUND OPERATING EXPENDITURES DURING THAT SCHOOL FISCAL
11 YEAR BY THE DISTRICT'S MEMBERSHIP REPORTED BY THE DEPARTMENT IN THE
12 MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

13 (D) THE DISTRICT'S PROJECTED EXPENDITURES PER-PUPIL FOR THE
14 CURRENT SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE TOTAL
15 GENERAL FUND OPERATING EXPENDITURES AUTHORIZED BY THE DISTRICT'S
16 GOVERNING BODY WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT
17 SCHOOL FISCAL YEAR BY THE DISTRICT'S PROJECTED MEMBERSHIP USED WHEN
18 ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

19 (2) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS
20 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.

21 SEC. 102B. (1) IF A DISTRICT DETERMINES THAT CONDITIONS OF
22 FISCAL STRESS, A DEFICIT, OR CONDITIONS INDICATING A FINANCIAL
23 EMERGENCY HAVE ARISEN OR MAY ARISE FOR THE DISTRICT, THE DISTRICT
24 SHALL NOTIFY THE SUPERINTENDENT AND REQUEST TECHNICAL ASSISTANCE IN
25 ADDRESSING THE FISCAL STRESS, DEFICIT, OR FINANCIAL EMERGENCY. THE
26 SUPERINTENDENT SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST FOR
27 TECHNICAL ASSISTANCE UNDER THIS SUBSECTION.

1 (2) AFTER RECEIVING A REQUEST FOR TECHNICAL ASSISTANCE UNDER
2 SUBSECTION (1), THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF
3 TREASURY REGARDING THE PROVISION OF TECHNICAL ASSISTANCE TO THE
4 DISTRICT. SUBJECT TO AVAILABLE RESOURCES, THE DEPARTMENT AND THE
5 DEPARTMENT OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE
6 BUDGET OF THE DISTRICT AND PROVIDE THE DISTRICT WITH TECHNICAL
7 ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, DATA ANALYSIS TOOLS,
8 WITH THE OBJECTIVE OF ASSISTING THE DISTRICT IN AVOIDING OR
9 REMEDYING CONDITIONS OF FISCAL STRESS, A DEFICIT, OR A FINANCIAL
10 EMERGENCY BEFORE FURTHER STATE INTERVENTION.

11 (3) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS
12 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.

13 (4) AS USED IN THIS SECTION:

14 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)
15 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL
16 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH
17 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE
18 DISTRICT:

19 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR
20 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT
21 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

22 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE
23 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR
24 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL
25 FUND BALANCE.

26 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE
27 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL

1 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,
2 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR
3 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO
4 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH
5 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

6 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

7 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-
8 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

9 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION
10 4(1)(A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,
11 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A
12 DISTRICT.

13 SEC. 102C. (1) THE SUPERINTENDENT OR THE STATE TREASURER MAY
14 REQUIRE A DISTRICT TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS
15 UNDER THIS SECTION IF EITHER DETERMINES THAT FINANCIAL STRESS MAY
16 EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS PROJECTED TO ARISE
17 WITHIN THE DISTRICT DURING THE CURRENT SCHOOL FISCAL YEAR OR THE
18 FOLLOWING 2 SCHOOL FISCAL YEARS, OR THAT THE DISTRICT MAY BE UNABLE
19 TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING ITS
20 OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A
21 MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL CODE,
22 AND APPLICABLE RULES BASED UPON 1 OR MORE OF THE FOLLOWING:

23 (A) THE DISTRICT HAS FAILED TO PAY A REQUIRED OBLIGATION ONCE
24 OR MORE IN A SCHOOL FISCAL YEAR.

25 (B) THE DISTRICT HAS EXPENDED OR DISTRIBUTED TAX REVENUE IN A
26 MANNER PROHIBITED BY LAW.

27 (C) THE DISTRICT'S PUPIL ENROLLMENT HAS DECLINED BY 5% OR MORE

1 IN A SINGLE SCHOOL FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3
2 OR MORE FISCAL YEARS AND THE DISTRICT FAILED TO REDUCE EXPENDITURES
3 IN A MANNER THAT ADDRESSED THE ENROLLMENT DECLINE.

4 (D) THE SCHOOL DISTRICT'S EXPENDITURES PER-PUPIL HAVE
5 INCREASED BY 5% OR MORE IN THE MOST RECENT SCHOOL FISCAL YEAR AS
6 COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR. AS USED
7 IN THIS SUBDIVISION, "EXPENDITURES PER-PUPIL" MEANS THE QUOTIENT OF
8 DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL
9 FISCAL YEAR BY THE FINAL AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR
10 THE STATE FISCAL YEAR IN WHICH THAT SCHOOL FISCAL YEAR ENDED.

11 (E) THE DISTRICT'S ACTUAL ENROLLMENT OR FOUNDATION ALLOWANCE
12 FOR A SCHOOL FISCAL YEAR WAS 97% OR LESS OF THE DISTRICT'S
13 BUDGETARY ASSUMPTIONS REPORTED UNDER SECTION 102A FOR THE SCHOOL
14 FISCAL YEAR AND THE DISTRICT FAILED TO ADOPT AN AMENDED BUDGET
15 REFLECTING THE ACTUAL ENROLLMENT AND FOUNDATION ALLOWANCE FOR THE
16 SCHOOL FISCAL YEAR BY NOVEMBER 15 OF THE SCHOOL FISCAL YEAR.

17 (F) THE DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY
18 MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942.

19 (2) IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL
20 REPORTS UNDER SUBSECTION (1), THE DISTRICT SHALL DO ALL OF THE
21 FOLLOWING:

22 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND
23 MANNER AND ON THE PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF
24 TREASURY AFTER CONSULTATION WITH THE DEPARTMENT.

25 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT
26 REQUIRED UNDER THIS SECTION TO THE MEMBERS OF ITS GOVERNING BODY
27 FOR APPROVAL PRIOR TO SUBMISSION OF THE REPORT TO THE DEPARTMENT OF

1 TREASURY AND THE DEPARTMENT.

2 (C) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH
3 OTHER FINANCIAL DATA OR INFORMATION RELATING TO THE FINANCIAL
4 CONDITIONS OF THE DISTRICT AS REQUESTED BY THE DEPARTMENT OF
5 TREASURY OR THE DEPARTMENT.

6 (D) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO
7 EXAMINE FINANCIAL RECORDS AND BOOKS OF ACCOUNT OF THE DISTRICT.

8 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION
9 NECESSARY AND PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY OR
10 THE DEPARTMENT IN THE EXERCISE OF THE DEPARTMENT OF TREASURY'S OR
11 THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

12 (3) IF A DISTRICT FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS
13 REPORT REQUIRED UNDER THIS SECTION, OR IF THE STATE TREASURER
14 DETERMINES OR IS NOTIFIED BY THE SUPERINTENDENT THAT INFORMATION
15 INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT INDICATES THAT
16 FINANCIAL STRESS EXISTS WITHIN A DISTRICT THAT HAS A DEFICIT, OR
17 THAT A DEFICIT IS PROJECTED TO OCCUR WITHIN A DISTRICT IN THE
18 CURRENT SCHOOL FISCAL YEAR OR THE NEXT SCHOOL FISCAL YEAR AND THAT
19 THE DISTRICT LACKS THE CAPACITY TO ADDRESS WITHOUT STATE
20 ASSISTANCE, THE STATE TREASURER MAY REQUIRE THE DISTRICT TO SUBMIT
21 AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102.

22 (4) A DISTRICT IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL
23 STATUS REPORTS UNDER THIS SECTION IF THE DISTRICT IS REQUIRED TO
24 SUBMIT A DEFICIT ELIMINATION PLAN OR AN ENHANCED DEFICIT
25 ELIMINATION PLAN UNDER SECTION 102, OR IF A FINANCIAL EMERGENCY HAS
26 BEEN DECLARED FOR THE DISTRICT UNDER THE LOCAL FINANCIAL STABILITY
27 AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575. IF A

1 DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS
2 UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL DISTRICT
3 UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942,
4 THE STATE TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT
5 PERIODIC FINANCIAL REPORTS UNDER THIS SECTION FOR AT LEAST 4 YEARS
6 AFTER THE DATE OF ISSUANCE OF THE LOAN.

7 (5) A DISTRICT IS NO LONGER REQUIRED TO SUBMIT PERIODIC
8 FINANCIAL STATUS REPORTS UNDER THIS SECTION IF THE STATE TREASURER,
9 AFTER CONSULTATION WITH THE SUPERINTENDENT, DETERMINES THAT THE
10 PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY THE DISTRICT
11 INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT EXIST WITHIN THE
12 DISTRICT, THAT A DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE
13 DISTRICT WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2
14 SCHOOL FISCAL YEARS, AND THAT THE DISTRICT WILL BE ABLE TO MEET ITS
15 FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE DISTRICT'S ABILITY
16 TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES
17 WITH THIS ARTICLE, THE REVISED SCHOOL CODE, AND APPLICABLE RULES.

18 (6) IF THE STATE TREASURER MAKES A DETERMINATION UNDER
19 SUBSECTION (5) THAT THE CONDITIONS UNDER THAT SUBSECTION APPLY TO A
20 DISTRICT, THE STATE TREASURER SHALL NOTIFY THE DISTRICT. THE
21 SUPERINTENDENT MAY NOTIFY THE STATE TREASURER THAT THE
22 SUPERINTENDENT HAS DETERMINED THAT CONDITIONS UNDER SUBSECTION (5)
23 APPLY TO A DISTRICT.

24 (7) AS USED IN THIS SECTION:

25 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)
26 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL
27 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH

1 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE
2 DISTRICT:

3 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR
4 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT
5 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

6 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE
7 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR
8 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL
9 FUND BALANCE.

10 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE
11 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL
12 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,
13 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR
14 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO
15 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH
16 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

17 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

18 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-
19 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

20 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION
21 4(1)(A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,
22 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A
23 DISTRICT.

24 SEC. 102D. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11,
25 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2015-
26 2016 FOR REIMBURSEMENTS TO DISTRICTS FOR THE LICENSING OF SCHOOL
27 DATA ANALYTICAL TOOLS AS DESCRIBED UNDER THIS SECTION. THE

1 REIMBURSEMENT IS FOR DISTRICTS THAT CHOOSE TO USE A SCHOOL DATA
2 ANALYTICAL TOOL TO ASSIST THE DISTRICT AND THAT ENTER INTO A
3 LICENSING AGREEMENT FOR A SCHOOL DATA ANALYTICAL TOOL WITH 1 OF THE
4 VENDORS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (2).

5 (2) NOT LATER THAN OCTOBER 15, 2015, THE DEPARTMENT SHALL
6 REVIEW VENDORS FOR SCHOOL DATA ANALYTICAL TOOLS AND PROVIDE
7 DISTRICTS WITH A LIST OF UP TO 4 APPROVED VENDORS THAT DISTRICTS
8 MAY USE TO BE ELIGIBLE FOR A REIMBURSEMENT PAID UNDER THIS SECTION.
9 FOR A VENDOR TO BE APPROVED UNDER THIS SECTION, THE DEPARTMENT MUST
10 DETERMINE THAT THE SCHOOL DATA ANALYTICAL TOOL SUPPLIED BY THE
11 VENDOR MEETS AT LEAST ALL OF THE FOLLOWING:

12 (A) ANALYZES FINANCIAL DATA.

13 (B) ANALYZES ACADEMIC DATA.

14 (C) PROVIDES EARLY WARNING INDICATORS OF FINANCIAL STRESS.

15 (D) HAS THE CAPABILITY TO PROVIDE PEER DISTRICT COMPARISONS OF
16 BOTH FINANCIAL AND ACADEMIC DATA.

17 (E) HAS THE CAPABILITY TO PROVIDE FINANCIAL PROJECTIONS FOR AT
18 LEAST 3 SUBSEQUENT FISCAL YEARS.

19 (3) FUNDS ALLOCATED UNDER THIS SECTION SHALL BE PAID TO
20 DISTRICTS AS A REIMBURSEMENT FOR ALREADY HAVING A LICENSING
21 AGREEMENT OR FOR ENTERING INTO A LICENSING AGREEMENT NOT LATER THAN
22 DECEMBER 1, 2015 WITH A VENDOR APPROVED UNDER SUBSECTION (2) TO
23 IMPLEMENT A SCHOOL DATA ANALYTICAL TOOL. REIMBURSEMENT UNDER THIS
24 SECTION SHALL BE MADE ON AN EQUAL PER-PUPIL BASIS.

25 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
26 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

27 Sec. 104. (1) In order to receive state aid under this

1 article, a district shall comply with sections 1249, 1278a, 1278b,
2 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
3 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
4 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
5 the state school aid fund money appropriated in section 11, there
6 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
7 ~~\$41,394,400.00~~ **\$43,994,400.00** for payments on behalf of districts
8 for costs associated with complying with those provisions of law.
9 In addition, from the federal funds appropriated in section 11,
10 there is allocated for ~~2014-2015-2015-2016~~ an amount estimated at
11 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
12 funds, and from DED-OSERS, section 504 of part B of the individuals
13 with disabilities education act, Public Law 94-142, plus any
14 carryover federal funds from previous year appropriations, for the
15 purposes of complying with the federal no child left behind act of
16 2001, Public Law 107-110.

17 (2) The results of each test administered as part of the
18 Michigan ~~educational assessment program,~~ **STUDENT TEST OF**
19 **EDUCATIONAL PROGRESS (M-STEP)**, including tests administered to high
20 school students, shall include an item analysis that lists all
21 items that are counted for individual pupil scores and the
22 percentage of pupils choosing each possible response.

23 (3) All federal funds allocated under this section shall be
24 distributed in accordance with federal law and with flexibility
25 provisions outlined in Public Law 107-116, and in the education
26 flexibility partnership act of 1999, Public Law 106-25.

27 (4) Notwithstanding section 17b, payments on behalf of

1 districts, intermediate districts, and other eligible entities
2 under this section shall be paid on a schedule determined by the
3 department.

4 (5) From the allocation in subsection (1), there is allocated
5 an amount not to exceed \$8,500,000.00 for the following purposes:

6 (a) Converting existing student assessments to online
7 assessments.

8 (b) Providing paper and pencil test versions to districts not
9 prepared to implement online assessments.

10 (c) Expanding writing assessments to additional grade levels.

11 (d) Providing an increased number of constructed response test
12 questions so that pupils can demonstrate higher-order skills such
13 as problem solving and communicating reasoning.

14 (6) From the allocation in subsection (1), there is allocated
15 an amount not to exceed \$3,200,000.00 for the development or
16 selection of an online reporting tool to provide student-level
17 assessment data in a secure environment to educators, parents, and
18 pupils immediately after assessments are scored. The department and
19 the center shall ensure that any data collected by the online
20 reporting tool do not provide individually identifiable student
21 data to the federal government.

22 (7) From the allocation in subsection (1), there is allocated
23 an amount not to exceed ~~\$3,000,000.00~~ **\$5,600,000.00** for the purpose
24 of implementing a summative assessment system pursuant to section
25 104c.

26 (8) As used in this section:

27 (a) "DED" means the United States ~~department of~~

1 ~~education.~~ **DEPARTMENT OF EDUCATION.**

2 (b) "DED-OESE" means the DED ~~office of elementary and~~
3 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

4 (c) "DED-OSERS" means the DED ~~office of special education and~~
5 ~~rehabilitative services.~~ **OFFICE OF SPECIAL EDUCATION AND**
6 **REHABILITATIVE SERVICES.**

7 Sec. 104b. (1) In order to receive state aid under this
8 article, a district shall comply with this section and shall
9 administer the Michigan merit examination to pupils in grade 11,
10 and to pupils in grade 12 who did not take the complete Michigan
11 merit examination in grade 11, as provided in this section. **THE**
12 **MICHIGAN MERIT EXAMINATION CONSISTS OF A COLLEGE ENTRANCE TEST,**
13 **WORK SKILLS TEST, AND THE SUMMATIVE ASSESSMENT KNOWN AS THE**
14 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP).**

15 (2) For the purposes of this section, the department of
16 technology, management, and budget shall contract with 1 or more
17 providers to develop, supply, and score the Michigan merit
18 examination. The Michigan merit examination shall consist of all of
19 the following:

20 (a) Assessment instruments that measure English language arts,
21 mathematics, reading, and science, and **THAT** are used by colleges
22 and universities in this state for entrance or placement purposes.
23 This ~~shall~~ **MAY** include 1 or more writing components.

24 (b) One or more tests from 1 or more test developers that
25 assess a pupil's ability to apply at least reading and mathematics
26 skills in a manner that is intended to allow employers to use the
27 results in making employment decisions. The department of

1 technology, management, and budget and the superintendent shall
2 ensure that any test or tests selected under this subdivision have
3 all the components necessary to allow a pupil to be eligible to
4 receive the results of a nationally recognized evaluation of
5 workforce readiness if the pupil's test performance is adequate.

6 (c) A social studies component.

7 (d) Any other component that is necessary to obtain the
8 approval of the United States ~~department of education~~ **DEPARTMENT OF**
9 **EDUCATION** to use the Michigan merit examination for the purposes of
10 the no child left behind act of 2001, Public Law 107-110.

11 (3) In addition to all other requirements of this section, all
12 of the following apply to the Michigan merit examination:

13 (a) The department of technology, management, and budget and
14 the superintendent shall ensure that any contractor used for
15 scoring the Michigan merit examination supplies an individual
16 report for each pupil that will identify for the pupil's parents
17 and teachers whether the pupil met expectations or failed to meet
18 expectations for each standard, to allow the pupil's parents and
19 teachers to assess and remedy problems before the pupil moves to
20 the next grade.

21 (b) The department of technology, management, and budget and
22 the superintendent shall ensure that any contractor used for
23 scoring, developing, or processing the Michigan merit examination
24 meets quality management standards commonly used in the assessment
25 industry, including at least meeting level 2 of the capability
26 maturity model developed by the software engineering institute of
27 Carnegie Mellon university for the first year the Michigan merit

1 examination is offered to all grade 11 pupils and at least meeting
2 level 3 of the capability maturity model for subsequent years.

3 (c) The department of technology, management, and budget and
4 the superintendent shall ensure that any contract for scoring,
5 administering, or developing the Michigan merit examination
6 includes specific deadlines for all steps of the assessment
7 process, including, but not limited to, deadlines for the correct
8 testing materials to be supplied to schools and for the correct
9 results to be returned to schools, and includes penalties for
10 noncompliance with these deadlines.

11 (d) The superintendent shall ensure that the Michigan merit
12 examination meets all of the following:

13 (i) Is designed to test pupils on ~~grade level content~~
14 ~~expectations or course content expectations, as appropriate, THIS~~
15 **STATE'S CONTENT STANDARDS** in all subjects tested.

16 (ii) Complies with requirements of the no child left behind
17 act of 2001, Public Law 107-110.

18 (iii) Is consistent with the code of fair testing practices in
19 education prepared by the ~~joint committee on testing practices of~~
20 ~~the American psychological association.~~ **JOINT COMMITTEE ON TESTING**
21 **PRACTICES OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION.**

22 (iv) Is factually accurate. If the superintendent determines
23 that a question is not factually accurate and should be excluded
24 from scoring, the state board and the superintendent shall ensure
25 that the question is excluded from scoring.

26 (4) A district shall include on each pupil's high school
27 transcript all of the following:

1 (a) For each high school graduate who has completed the
2 Michigan merit examination under this section, the pupil's scaled
3 score on each subject area component of the Michigan merit
4 examination.

5 (b) The number of school days the pupil was in attendance at
6 school each school year during high school and the total number of
7 school days in session for each of those school years.

8 (5) The superintendent shall work with the provider or
9 providers of the Michigan merit examination to produce Michigan
10 merit examination subject area scores for each pupil participating
11 in the Michigan merit examination, including scaling and merging of
12 test items for the different subject area components. The
13 superintendent shall design and distribute to districts,
14 intermediate districts, and nonpublic schools a simple and concise
15 document that describes the scoring for each subject area and
16 indicates the scaled score ranges for each subject area.

17 (6) The Michigan merit examination shall be administered in
18 each district during the last 12 weeks of the district's school
19 year. The superintendent shall ensure that the Michigan merit
20 examination is scored and the scores are returned to pupils, their
21 parents or legal guardians, and districts not later than the
22 beginning of the pupil's first semester of grade 12. The returned
23 scores shall indicate at least the pupil's scaled score for each
24 subject area component and the range of scaled scores for each
25 subject area. In reporting the scores to pupils, parents, and
26 schools, the superintendent shall provide standards-specific,
27 meaningful, and timely feedback on the pupil's performance on the

1 Michigan merit examination.

2 (7) A district shall administer the complete Michigan merit
3 examination to a pupil only once and shall not administer the
4 complete Michigan merit examination to the same pupil more than
5 once. If a pupil does not take the complete Michigan merit
6 examination in grade 11, the district shall administer the complete
7 Michigan merit examination to the pupil in grade 12. If a pupil
8 chooses to retake the college entrance examination component of the
9 Michigan merit examination, as described in subsection (2)(a), the
10 pupil may do so through the provider of the college entrance
11 examination component and the cost of the retake is the
12 responsibility of the pupil unless all of the following are met:

13 (a) The pupil has taken the complete Michigan merit
14 examination.

15 (b) The pupil did not qualify for a Michigan promise grant
16 under section 6 of the Michigan promise grant act, 2006 PA 479, MCL
17 390.1626, based on the pupil's performance on the complete Michigan
18 merit examination.

19 (c) The pupil meets the income eligibility criteria for free
20 breakfast, lunch, or milk, as determined under the Richard B.
21 Russell national school lunch act, 42 USC 1751 to 1769i.

22 (d) The pupil has applied to the provider of the college
23 entrance examination component for a scholarship or fee waiver to
24 cover the cost of the retake and that application has been denied.

25 (e) After taking the complete Michigan merit examination, the
26 pupil has not already received a free retake of the college
27 entrance examination component paid for either by this state or

1 through a scholarship or fee waiver by the provider.

2 (8) The superintendent shall ensure that the length of the
3 Michigan merit examination and the combined total time necessary to
4 administer all of the components of the Michigan merit examination
5 are the shortest possible that will still maintain the degree of
6 reliability and validity of the Michigan merit examination results
7 determined necessary by the superintendent. The superintendent
8 shall ensure that the maximum total combined length of time that
9 schools are required to set aside for pupils to answer all test
10 questions on the Michigan merit examination does not exceed 8 hours
11 if the superintendent determines that sufficient alignment to
12 applicable Michigan merit curriculum content standards can be
13 achieved within that time limit.

14 (9) A district shall provide accommodations to a pupil with
15 disabilities for the Michigan merit examination, as provided under
16 section 504 of title V of the rehabilitation act of 1973, 29 USC
17 794; subtitle A of title II of the Americans with disabilities act
18 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
19 education act amendments of 1997, Public Law 105-17; and the
20 implementing regulations for those statutes. The provider or
21 providers of the Michigan merit examination and the superintendent
22 shall mutually agree upon the accommodations to be provided under
23 this subsection.

24 (10) To the greatest extent possible, the Michigan merit
25 examination shall be based on ~~grade level content expectations or~~
26 ~~course content expectations, as appropriate. Not later than July 1,~~
27 ~~2008, the department shall identify specific grade level content~~

~~expectations to be taught before and after the middle of grade 11,~~
~~so that teachers will know what content will be covered within the~~
~~Michigan merit examination.~~**THIS STATE'S CONTENT STANDARDS. THE**
DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS
COMPONENTS OF THE MICHIGAN MERIT EXAM TO DEVELOP THE ASSESSMENT,
DEPENDING ON THE ALIGNMENT OF THOSE COMPONENTS TO THIS STATE'S
CONTENT STANDARDS. IF THESE COMPONENTS DO NOT ALIGN TO THESE
STANDARDS, THE DEPARTMENT SHALL PRODUCE ADDITIONAL COMPONENTS AS
REQUIRED BY LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR
ASSESSMENTS.

(11) A child who is a student in a nonpublic school or home school may take the Michigan merit examination under this section. To take the Michigan merit examination, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the Michigan merit examination, or the child may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent shall direct the provider or providers to supply the Michigan merit examination to the nonpublic school and the nonpublic school may administer the Michigan merit examination. If a district administers the Michigan merit examination under this subsection to a child who is not enrolled in the district, the scores for that child are not considered for any purpose to be scores of a pupil of the district.

(12) In contracting under subsection (2), the department of **TECHNOLOGY**, management, and budget shall consider a contractor that provides electronically-scored essays with the ability to score

1 constructed response feedback in multiple languages and provide
2 ongoing instruction and feedback.

3 (13) The purpose of the Michigan merit examination is to
4 assess pupil performance in mathematics, science, social studies,
5 and English language arts for the purpose of improving academic
6 achievement and establishing a statewide standard of competency.
7 The assessment under this section provides a common measure of data
8 that will contribute to the improvement of Michigan schools'
9 curriculum and instruction by encouraging alignment with Michigan's
10 curriculum framework standards and promotes pupil participation in
11 higher level mathematics, science, social studies, and English
12 language arts courses. These standards are based upon the
13 expectations of what pupils should learn through high school and
14 are aligned with national standards.

15 (14) For a pupil enrolled in a middle college program, other
16 than a middle college operated as a shared educational entity or a
17 specialized shared educational entity, if the pupil receives at
18 least 50% of his or her instruction at the high school while in
19 grade 11, the Michigan merit examination shall be administered to
20 the pupil at the high school at which the pupil receives high
21 school instruction, and the department shall include the pupil's
22 scores on the Michigan merit examination in the scores for that
23 high school for all purposes for which a school's or district's
24 results are reported. The department shall allow the middle college
25 program to use a 5-year graduation rate for determining adequate
26 yearly progress. As used in this subsection, "middle college" means
27 a program consisting of a series of courses and other requirements

1 and conditions, including an early college or other program created
2 under a memorandum of understanding, that allows a pupil to
3 graduate from high school with both a high school diploma and a
4 certificate or degree from a community college or state public
5 university.

6 (15) As used in this section:

7 (a) "English language arts" means reading and writing.

8 (b) "Social studies" means United States history, world
9 history, world geography, economics, and American government.

10 Sec. 104c. (1) In order to receive state aid under this
11 article, a district shall administer the state assessments
12 described in this section.

13 (2) For the purposes of this section, the department shall
14 develop for use in the spring of ~~2014-2015 new Michigan education~~
15 ~~assessment program (MEAP)~~ **2015-2016 THE MICHIGAN STUDENT TEST OF**
16 **EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts
17 and mathematics. These assessments shall be aligned to state
18 standards.

19 (3) For the purposes of this section, the department shall
20 implement ~~beginning in the 2015-2016 school year~~ a summative
21 assessment system that is proven to be valid and reliable for
22 administration to pupils as provided under this subsection. The
23 summative assessment system shall meet all of the following
24 requirements:

25 (a) The summative assessment system shall measure student
26 proficiency on the current state standards, shall measure student
27 growth for consecutive grade levels in which students are assessed

1 in the same subject area in both grade levels, and shall be capable
2 of measuring individual student performance.

3 (b) The summative assessments for English language arts and
4 mathematics shall be administered to all public school pupils in
5 grades 3 to ~~10~~, **11**, including those pupils as required by the
6 federal individuals with disabilities education act, Public Law
7 108-446, and by title I of the federal elementary and secondary
8 education act.

9 (c) The summative assessments for science shall be
10 administered to all public school pupils in at least grades 4 and
11 7, including those pupils as required by the federal individuals
12 with disabilities education act, Public Law 108-446, and by title I
13 of the federal elementary and secondary education act.

14 (d) The summative assessments for social studies shall be
15 administered to all public school pupils in at least grades 5 and
16 8, including those pupils as required by the federal individuals
17 with disabilities education act, Public Law 108-446, and by title I
18 of the federal elementary and secondary education act.

19 (e) The content of the summative assessments shall be aligned
20 to state standards.

21 (f) The pool of questions for the summative assessments shall
22 be subject to a transparent review process for quality, bias, and
23 sensitive issues involving educator review and comment. The
24 department shall post samples from tests or retired tests featuring
25 questions from this pool for review by the public.

26 (g) The summative assessment system shall ensure that
27 students, parents, and teachers are provided with reports that

1 convey individual student proficiency and growth on the assessment
2 and that convey individual student domain-level performance in each
3 subject area, including representative questions, and individual
4 student performance in meeting state standards.

5 (h) The summative assessment system shall be capable of
6 providing, and the department shall ensure that students, parents,
7 teachers, administrators, and community members are provided with,
8 reports that convey aggregate student proficiency and growth data
9 by teacher, grade, school, and district.

10 (i) The summative assessment system shall ensure the
11 capability of reporting the available data to support educator
12 evaluations.

13 (j) The summative assessment system shall ensure that the
14 reports provided to districts containing individual student data
15 are available within 60 days after completion of the assessments.

16 ~~—— (k) The assessments shall be capable of being implemented~~
17 ~~statewide in a fully operational manner no later than the 2015-2016~~
18 ~~school year.~~

19 (K) ~~(I)~~ The summative assessment system shall ensure that
20 access to individually identifiable student data meets all of the
21 following:

22 (i) Is in compliance with 20 USC 1232g, commonly referred to
23 as the family educational rights and privacy act of 1974.

24 (ii) Except as may be provided for in an agreement with a
25 vendor to provide assessment services, as necessary to support
26 educator evaluations pursuant to subdivision (i), or for research
27 or program evaluation purposes, is available only to the student;

1 to the student's parent or legal guardian; and to a school
2 administrator or teacher, to the extent that he or she has a
3 legitimate educational interest.

4 (I) ~~(m)~~—The summative assessment system shall ensure that the
5 assessments are pilot tested before statewide implementation.

6 (M) ~~(n)~~—The summative assessment system shall ensure that
7 assessments are designed so that the maximum total combined length
8 of time that schools are required to set aside for a pupil to
9 answer all test questions on all assessments that are part of the
10 system for the pupil's grade level does not exceed that maximum
11 total combined length of time for the previous statewide assessment
12 system or 9 hours, whichever is less. This subdivision does not
13 limit the amount of time a district may allow a pupil to complete a
14 test.

15 (N) ~~(o)~~—The total cost of executing the summative assessment
16 system statewide each year, including, but not limited to, the cost
17 of contracts for administration, scoring, and reporting, shall not
18 exceed an amount equal to 2 times the cost of executing the
19 previous statewide assessment after adjustment for inflation.

20 (4) ~~To begin the process required under subsection (3), not~~
21 ~~later than September 1, 2014, the department shall issue a request~~
22 ~~for proposals for the summative assessment system described in that~~
23 ~~subsection.~~ **BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT**
24 **SHALL FIELD TEST ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM**
25 **UNDER THIS SUBSECTION FOR FULL IMPLEMENTATION IN THE 2016-2017**
26 **SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE NECESSARY TO DETERMINE A**
27 **PUPIL'S PROFICIENCY LEVEL BEFORE GRADE 3. THE ADDITIONAL COMPONENTS**

1 ARE AS FOLLOWS:

2 (A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH
3 YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF
4 GRADES 1 AND 2.

5 (B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA), TO BE
6 ADMINISTERED IN THE FALL OF THE KINDERGARTEN YEAR. THE KEA SHALL
7 INCLUDE THE SAME COMPONENTS AS UNDER SUBDIVISION (A) AND ALSO MAY
8 INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-
9 EMOTIONAL, AND PHYSICAL SKILLS.

10 (5) This section does not prohibit districts from adopting
11 interim assessments.

12 ~~—— (6) The department shall seek a waiver or amendment to an~~
13 ~~existing waiver for federal approval of the assessment framework~~
14 ~~under this section and shall notify the United States department of~~
15 ~~education about the provisions of this section and take necessary~~
16 ~~steps to assure the United States department of education that this~~
17 ~~state is on track to develop and implement a summative assessment~~
18 ~~system as required by federal law.~~

19 (6) ~~(7)~~ As used in this section, "English language arts" means
20 that term as defined in section 104b.

21 SEC. 104D. (1) FROM THE STATE SCHOOL AID FUND MONEY
22 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN
23 AMOUNT NOT TO EXCEED \$5,000,000.00 FOR PROVIDING REIMBURSEMENT TO
24 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST FOR EACH STUDENT
25 ENROLLED IN THE DISTRICT. IN ORDER TO RECEIVE FUNDING UNDER THIS
26 SECTION, THE COMPUTER-ADAPTIVE TEST SHALL PROVIDE AT LEAST THE
27 FOLLOWING:

1 (A) INTERNET-DELIVERED, STANDARDS-BASED ASSESSMENT USING A
2 COMPUTER-ADAPTIVE MODEL TO TARGET THE INSTRUCTIONAL LEVEL OF EACH
3 PUPIL.

4 (B) UNLIMITED TESTING OPPORTUNITIES THROUGHOUT THE 2015-2016
5 SCHOOL YEAR.

6 (C) VALID AND RELIABLE DIAGNOSTIC ASSESSMENT DATA.

7 (D) ADJUSTMENT OF TESTING DIFFICULTY BASED ON PREVIOUS ANSWERS
8 TO TEST QUESTIONS.

9 (E) IMMEDIATE FEEDBACK TO PUPILS AND TEACHERS.

10 (2) REIMBURSEMENT UNDER THIS SECTION SHALL BE MADE TO ELIGIBLE
11 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST DESCRIBED IN
12 SUBSECTION (1) BY OCTOBER 15, 2015 AND SHALL BE MADE ON AN EQUAL
13 PER-PUPIL BASIS ACCORDING TO THE AVAILABLE FUNDING.

14 (3) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION, A
15 DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT
16 THAT A QUALIFYING COMPUTER-ADAPTIVE TEST WAS PURCHASED BY THE
17 DISTRICT BY OCTOBER 15, 2015.

18 Sec. 107. (1) From the appropriation in section 11, there is
19 allocated an amount not to exceed ~~\$22,000,000.00~~ **\$29,000,000.00** for
20 ~~2014-2015-2015-2016~~ for adult education programs authorized under
21 this section. ~~Funds~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTIONS**
22 **(16) AND (18), FUNDS** allocated under this section are restricted
23 for adult education programs as authorized under this section only.
24 A recipient of funds under this section shall not use those funds
25 for any other purpose.

26 (2) To be eligible for funding under this section, ~~a program~~
27 **AN ELIGIBLE ADULT EDUCATION PROVIDER** shall employ certificated

1 teachers and qualified administrative staff and shall offer
 2 continuing education opportunities for teachers to allow them to
 3 maintain certification.

4 (3) To be eligible to be a participant funded under this
 5 section, ~~a person~~ **AN INDIVIDUAL** shall be enrolled in an adult basic
 6 education program, an adult English as a second language program, a
 7 general educational development (G.E.D.) test preparation program,
 8 a job- or employment-related program, or a high school completion
 9 program, that meets the requirements of this section, and for which
 10 instruction is provided, and shall meet either of the following, as
 11 applicable:

12 (a) If the individual has obtained a high school diploma or a
 13 general educational development (G.E.D.) certificate, the
 14 individual meets 1 of the following:

15 ~~—— (i) Is less than 20 years of age on September 1 of the school~~
 16 ~~year and is enrolled in the Michigan career and technical~~
 17 ~~institute.~~

18 (i) ~~(ii)~~ Is less than 20 years of age on September 1 of the
 19 school year, is not attending an institution of higher education,
 20 and is enrolled in a job- or employment-related program through a
 21 referral by an employer or by a Michigan workforce agency.

22 (ii) ~~(iii)~~ Is enrolled in an English as a second language
 23 program.

24 (iii) ~~(iv)~~ Is enrolled in a high school completion program.

25 (iv) **IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR, IS**
 26 **ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM, AND IS DETERMINED BY**
 27 **A DEPARTMENT-APPROVED ASSESSMENT, IN A FORM AND MANNER PRESCRIBED**

1 BY THE DEPARTMENT, TO BE BELOW GRADE 9 LEVEL IN READING OR
2 MATHEMATICS, OR BOTH.

3 (b) If the individual has not obtained a high school diploma
4 or G.E.D. certificate, the individual meets 1 of the following:

5 (i) Is at least 20 years of age on September 1 of the school
6 year.

7 (ii) Is at least 16 years of age on September 1 of the school
8 year, has been permanently expelled from school under section
9 1311(2) or 1311a of the revised school code, MCL 380.1311 and
10 380.1311a, and has no appropriate alternative education program
11 available through his or her district of residence.

12 (4) BY APRIL 1 OF EACH FISCAL YEAR, THE INTERMEDIATE DISTRICTS
13 WITHIN A PROSPERITY REGION OR SUBREGION SHALL DETERMINE WHICH
14 INTERMEDIATE DISTRICT WILL SERVE AS THE PROSPERITY REGION'S OR
15 SUBREGION'S FISCAL AGENT FOR THE NEXT FISCAL YEAR AND SHALL NOTIFY
16 THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.
17 THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE PROSPERITY
18 REGION'S OR SUBREGION'S SELECTED FISCAL AGENT. From the funds
19 allocated under subsection (1), an amount as determined under this
20 subsection shall be allocated to each intermediate district serving
21 as a fiscal agent for adult education programs in each of the 10
22 prosperity regions OR SUBREGIONS identified by the department. An
23 intermediate district shall not use more than 5% of the funds
24 allocated under this subsection for administration costs for
25 serving as the fiscal agent. ~~The department shall ensure that the~~
26 ~~funds allocated under this subsection for 2014-2015 will provide~~
27 ~~services in 2014-2015 to at least the same number of individuals as~~

~~the number of individuals who were enrolled in programs funded~~
~~under this section in 2013-2014. For **BEGINNING IN** 2014-2015, 67% of~~
 the allocation provided to each intermediate district serving as a
 fiscal agent shall be based on the proportion of total funding
 formerly received by the adult education providers in that
 prosperity region **OR SUBREGION** in 2013-2014, and 33% shall be
 allocated based on the factors in subdivisions (a), (b), and (c).
~~For 2015-2016, 33% of the allocation provided to each intermediate~~
~~district serving as a fiscal agent shall be based upon the~~
~~proportion of total funding formerly received by the adult~~
~~education providers in that prosperity region in 2013-2014 and 67%~~
~~of the allocation shall be based upon the factors in subdivisions~~
~~(a), (b), and (c). For 2016-2017, 100% of the allocation provided~~
~~to each intermediate district serving as a fiscal agent shall be~~
~~based on the factors in subdivisions (a), (b), and (c). The funding~~
 factors for this section are as follows:

(a) Sixty percent of this portion of the funding shall be
 distributed based upon the proportion of the state population of
 individuals between the ages of 18 and 24 that are not high school
 graduates that resides in each of the prosperity regions **OR**
SUBREGIONS, as reported by the most recent 5-year estimates from
 the American community survey (ACS) from the United States ~~census~~
~~bureau.~~ **CENSUS BUREAU.**

(b) Thirty-five percent of this portion of the funding shall
 be distributed based upon the proportion of the state population of
 individuals age 25 or older who are not high school graduates that
 resides in each of the prosperity regions **OR SUBREGIONS**, as

1 reported by the most recent 5-year estimates from the American
 2 community survey (ACS) from the United States ~~census bureau~~. **CENSUS**
 3 **BUREAU.**

4 (c) Five percent of this portion of the funding shall be
 5 distributed based upon the proportion of the state population of
 6 individuals age 18 or older who lack basic English language
 7 proficiency that resides in each of the prosperity regions **OR**
 8 **SUBREGIONS**, as reported by the most recent 5-year estimates from
 9 the American community survey (ACS) from the United States ~~census~~
 10 ~~bureau~~. **CENSUS BUREAU.**

11 (5) To be an eligible fiscal agent, an intermediate district
 12 must agree to do the following in a form and manner determined by
 13 the department:

14 (a) Distribute funds to adult education programs in a
 15 prosperity region **OR SUBREGION** as described in this section.

16 (b) Collaborate with ~~education advisory groups~~ **THE TALENT**
 17 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
 18 workforce development boards located in the prosperity region **OR**
 19 **SUBREGION, OR ITS SUCCESSOR**, to develop a regional strategy that
 20 aligns adult education programs and services into an efficient and
 21 effective delivery system for adult education learners, **WITH**
 22 **SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED LEARNING AND**
 23 **CAREER PATHWAYS.**

24 (c) Collaborate with ~~education advisory groups~~ **THE TALENT**
 25 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
 26 workforce development boards located in the prosperity region **OR**
 27 **SUBREGION, OR ITS SUCCESSOR**, to create a local process and criteria

1 that will identify eligible adult education providers to receive
2 funds allocated under this section based on location, demand for
3 services, **PAST PERFORMANCE, QUALITY INDICATORS AS IDENTIFIED BY THE**
4 **DEPARTMENT**, and cost to provide instructional services. ~~All THE~~
5 **FISCAL AGENT SHALL DETERMINE ALL** local processes, criteria, and
6 provider determinations. **HOWEVER, THE LOCAL PROCESSES, CRITERIA,**
7 **AND PROVIDER SERVICES** must be approved by the department before
8 funds may be distributed to the fiscal agent.

9 (D) **PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS**
10 **THROUGHOUT THE PROGRAM YEAR TO ENSURE COMPLIANCE WITH THE**
11 **REQUIREMENTS OF THIS SECTION.**

12 (E) ~~(d)~~—Report adult education program and participant data
13 and information as prescribed by the department.

14 (6) The amount allocated under this section per full-time
15 equated participant shall not exceed \$2,850.00 for a 450-hour
16 program. The amount shall be proportionately reduced for a program
17 offering less than 450 hours of instruction.

18 (7) An adult basic education program or an adult English as a
19 second language program operated on a year-round or school year
20 basis may be funded under this section, subject to all of the
21 following:

22 (a) The program enrolls adults who are determined by a
23 department-approved assessment, in a form and manner prescribed by
24 the department, to be below ninth grade level in reading or
25 mathematics, or both, or to lack basic English proficiency.

26 (b) The program tests individuals for eligibility under
27 subdivision (a) before enrollment and upon completion of the

1 program in compliance with the state-approved assessment policy.

2 (c) A participant in an adult basic education program is
3 eligible for reimbursement until 1 of the following occurs:

4 (i) The participant's reading and mathematics proficiency are
5 assessed at or above the ninth grade level.

6 (ii) The participant fails to show progress on 2 successive
7 assessments after having completed at least 450 hours of
8 instruction.

9 (d) A funding recipient enrolling a participant in an English
10 as a second language program is eligible for funding according to
11 subsection (11) until the participant meets 1 of the following:

12 (i) The participant is assessed as having attained basic
13 English proficiency as determined by a department-approved
14 assessment.

15 (ii) The participant fails to show progress on 2 successive
16 department-approved assessments after having completed at least 450
17 hours of instruction. The department shall provide information to a
18 funding recipient regarding appropriate assessment instruments for
19 this program.

20 (8) A general educational development (G.E.D.) test
21 preparation program operated on a year-round or school year basis
22 may be funded under this section, subject to all of the following:

23 (a) The program enrolls adults who do not have a high school
24 diploma.

25 (b) The program shall administer a pre-test approved by the
26 department before enrolling an individual to determine the
27 individual's literacy levels, shall administer a G.E.D. practice

1 test to determine the individual's potential for success on the
2 G.E.D. test, and shall administer a post-test upon completion of
3 the program in compliance with the state-approved assessment
4 policy.

5 (c) A funding recipient shall receive funding according to
6 subsection (11) for a participant, and a participant may be
7 enrolled in the program until 1 of the following occurs:

8 (i) The participant obtains the G.E.D.

9 (ii) The participant fails to show progress on 2 successive
10 department-approved assessments used to determine readiness to take
11 the G.E.D. test after having completed at least 450 hours of
12 instruction.

13 (9) A high school completion program operated on a year-round
14 or school year basis may be funded under this section, subject to
15 all of the following:

16 (a) The program enrolls adults who do not have a high school
17 diploma.

18 (b) The program tests participants described in subdivision
19 (a) before enrollment and upon completion of the program in
20 compliance with the state-approved assessment policy.

21 (c) A funding recipient shall receive funding according to
22 subsection (11) for a participant in a course offered under this
23 subsection until 1 of the following occurs:

24 (i) The participant passes the course and earns a high school
25 diploma.

26 (ii) The participant fails to earn credit in 2 successive
27 semesters or terms in which the participant is enrolled after

1 having completed at least 900 hours of instruction.

2 (10) A job- or employment-related adult education program
3 operated on a year-round or school year basis may be funded under
4 this section, subject to all of the following:

5 (a) The program enrolls adults referred by their employer who
6 are less than 20 years of age, have a high school diploma, are
7 determined to be in need of remedial mathematics or communication
8 arts skills, and are not attending an institution of higher
9 education.

10 (b) The program tests participants described in subdivision
11 (a) before enrollment and upon completion of the program in
12 compliance with the department-approved assessment policy.

13 (c) An individual may be enrolled in this program and the
14 grant recipient shall receive funding according to subsection (11)
15 until 1 of the following occurs:

16 (i) The individual achieves the requisite skills as determined
17 by department-approved assessment instruments.

18 (ii) The individual fails to show progress on 2 successive
19 assessments after having completed at least 450 hours of
20 instruction.

21 (11) A funding recipient shall receive payments under this
22 section in accordance with the following:

23 (a) ~~Seventy-five~~ **NINETY** percent for enrollment of eligible
24 participants.

25 (b) ~~Twenty-five~~ **TEN** percent for participant completion of the
26 adult basic education objectives by achieving an educational gain
27 as determined by the national reporting system levels; for

1 achieving basic English proficiency, **AS DETERMINED BY THE**
2 **DEPARTMENT**; for obtaining a G.E.D. or passage of 1 or more
3 individual G.E.D. tests; for attainment of a high school diploma or
4 passage of a course required for a participant to attain a high
5 school diploma; for enrollment in a postsecondary institution, or
6 for entry into or retention of employment, as applicable.

7 (12) A person who is not eligible to be a participant funded
8 under this section may receive adult education services upon the
9 payment of tuition. In addition, a person who is not eligible to be
10 served in a program under this section due to the program
11 limitations specified in subsection (7), (8), (9), or (10) may
12 continue to receive adult education services in that program upon
13 the payment of tuition. The tuition level shall be determined by
14 the local or intermediate district conducting the program.

15 (13) An individual who is an inmate in a state correctional
16 facility shall not be counted as a participant under this section.

17 (14) A funding recipient shall not commingle money received
18 under this section or from another source for adult education
19 purposes with any other funds and shall establish a separate ledger
20 account for funds received under this section. This subsection does
21 not prohibit a district from using general funds of the district to
22 support an adult education or community education program.

23 (15) A funding recipient receiving funds under this section
24 may establish a sliding scale of tuition rates based upon a
25 participant's family income. A funding recipient may charge a
26 participant tuition to receive adult education services under this
27 section from that sliding scale of tuition rates on a uniform

1 basis. The amount of tuition charged per participant shall not
 2 exceed the actual operating cost per participant minus any funds
 3 received under this section per participant. A funding recipient
 4 may not charge a participant tuition under this section if the
 5 participant's income is at or below 200% of the federal poverty
 6 guidelines published by the United States ~~department of health and~~
 7 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

8 (16) In order to receive funds under this section, a funding
 9 recipient shall furnish to the department, in a form and manner
 10 determined by the department, all information needed to administer
 11 this program and meet federal reporting requirements; shall allow
 12 the department or the department's designee to review all records
 13 related to the program for which it receives funds; and shall
 14 reimburse the state for all disallowances found in the review, as
 15 determined by the department. **IN ADDITION, A FUNDING RECIPIENT**
 16 **SHALL AGREE TO PAY TO A CAREER AND TECHNICAL EDUCATION PROGRAM**
 17 **UNDER SECTION 61A THE AMOUNT OF FUNDING RECEIVED UNDER THIS SECTION**
 18 **IN THE PROPORTION OF CAREER AND TECHNICAL EDUCATION COURSEWORK USED**
 19 **TO SATISFY ADULT BASIC EDUCATION PROGRAMMING, AS BILLED TO THE**
 20 **FUNDING RECIPIENT UNDER SECTION 61A.**

21 (17) All intermediate district participant audits of adult
 22 education programs shall be performed pursuant to the adult
 23 education participant auditing and accounting manuals published by
 24 the department.

25 (18) **FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT**
 26 **NOT TO EXCEED \$500,000.00 SHALL BE ALLOCATED FOR 2015-2016 TO NOT**
 27 **MORE THAN 1 PILOT PROGRAM THAT IS LOCATED IN A PROSPERITY REGION**

1 WITH 2 OR MORE SUBREGIONS AND THAT CONNECTS ADULT EDUCATION
2 PARTICIPANTS DIRECTLY WITH EMPLOYERS BY LINKING ADULT EDUCATION,
3 CAREER AND TECHNICAL SKILLS, AND WORKFORCE DEVELOPMENT. TO BE
4 ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM SHALL
5 PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE
6 COUNTY, THE AREA CAREER/TECHNICAL CENTER, AND LOCAL EMPLOYERS, AND
7 SHALL MEET THE ADDITIONAL CRITERIA IN SUBSECTIONS (19) AND (20).
8 FUNDING UNDER THIS SUBSECTION FOR 2015-2016 IS FOR THE FIRST OF 3
9 YEARS OF FUNDING.

10 (19) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL
11 REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! TO
12 IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO
13 SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS IDENTIFIED UNDER
14 THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT EDUCATION
15 PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA
16 CAREER/TECHNICAL CENTER.

17 (20) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL HAVE
18 ON STAFF AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS A
19 CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBSECTION (19).
20 THE NAVIGATOR SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL
21 EMPLOYERS TO DESIGN AN EDUCATIONAL PROGRAM BEST SUITED TO THE
22 PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT, AND SHALL WORK
23 WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY
24 BARRIER IN THE WAY OF PARTICIPANT ACCESS.

25 (21) NOT LATER THAN DECEMBER 1, 2016, THE PILOT PROGRAM FUNDED
26 UNDER SUBSECTION (18) SHALL PROVIDE TO THE SENATE AND HOUSE
27 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND

1 HOUSE FISCAL AGENCIES A REPORT DETAILING NUMBER OF PARTICIPANTS,
2 GRADUATION RATES, AND A MEASURE OF TRANSITIONING TO EMPLOYMENT.

3 (22) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS FOR A
4 PILOT PROGRAM TO BE FUNDED UNDER SUBSECTION (18) AND SHALL AWARD
5 FUNDING NOT LATER THAN NOVEMBER 1, 2015. FUNDING ALLOCATED UNDER
6 SUBSECTION (18) MAY BE PAID ON A SCHEDULE OTHER THAN THAT SPECIFIED
7 UNDER SECTION 17B.

8 (23) ~~(18)~~As used in this section:

9 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-
10 QUALITY EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH
11 ALL OF THE FOLLOWING:

12 (i) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY
13 OF THIS STATE OR IN THE REGIONAL ECONOMY INVOLVED.

14 (ii) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL
15 RANGE OF SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING
16 APPRENTICESHIPS REGISTERED UNDER THE ACT OF AUGUST 16, 1937
17 (COMMONLY KNOWN AS THE "NATIONAL APPRENTICESHIP ACT"), 29 USC 50 ET
18 SEQ.

19 (iii) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN
20 ACHIEVING THE INDIVIDUAL'S EDUCATION AND CAREER GOALS.

21 (iv) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY
22 WITH AND IN THE SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES
23 AND TRAINING FOR A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.

24 (v) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET
25 THE PARTICULAR NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES
26 THE EDUCATIONAL AND CAREER ADVANCEMENT OF THE INDIVIDUAL TO THE
27 EXTENT PRACTICABLE.

(vi) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL DIPLOMA OR ITS RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED POSTSECONDARY CREDENTIAL.

(vii) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.

(B) ~~(a)~~—"Department" means the Michigan strategic fund.

(C) ~~(b)~~—"Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as part of the local process described in subsection (5)(c) and approved by the department.

(D) ~~(e)~~—"Participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

Sec. 147. (1) The allocation for ~~2014-2015~~**2015-2016** for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the ~~2014-2015~~**2015-2016** fiscal year, as determined by the retirement system, are estimated as follows:

1 (a) For public school employees who first worked for a public
2 school reporting unit before July 1, 2010 and who are enrolled in
3 the health premium subsidy, the annual level percentage of payroll
4 contribution rate is estimated at ~~33.41%~~, **36.31%**, with 25.78% paid
5 directly by the employer.

6 (b) For public school employees who first worked for a public
7 school reporting unit on or after July 1, 2010 and who are enrolled
8 in the health premium subsidy, the annual level percentage of
9 payroll contribution rate is estimated at ~~32.33%~~, **35.09%**, with
10 ~~24.70%~~ **24.56%** paid directly by the employer.

11 (c) For public school employees who first worked for a public
12 school reporting unit on or after July 1, 2010 and who participate
13 in the personal healthcare fund, the annual level percentage of
14 payroll contribution rate is estimated at ~~31.82%~~, **34.66%**, with
15 ~~24.19%~~ **24.13%** paid directly by the employer.

16 (d) For public school employees who first worked for a public
17 school reporting unit on or after September 4, 2012, who elect
18 defined contribution, and who participate in the personal
19 healthcare fund, the annual level percentage of payroll
20 contribution rate is estimated at ~~28.59%~~, **31.49%**, with 20.96% paid
21 directly by the employer.

22 (e) For public school employees who first worked for a public
23 school reporting unit before July 1, 2010, who elect defined
24 contribution, and who are enrolled in the health premium subsidy,
25 the annual level percentage of payroll contribution rate is
26 estimated at ~~29.10%~~, **31.92%**, with ~~21.47%~~ **21.39%** paid directly by
27 the employer.

1 (f) For public school employees who first worked for a public
2 school reporting unit before July 1, 2010, who elect defined
3 contribution, and who participate in the personal healthcare fund,
4 the annual level percentage of payroll contribution rate is
5 estimated at ~~28.59%~~, **31.49%**, with 20.96% paid directly by the
6 employer.

7 (g) For public school employees who first worked for a public
8 school reporting unit before July 1, 2010 and who participate in
9 the personal healthcare fund, the annual level percentage of
10 payroll contribution rate is estimated at ~~32.90%~~, **35.88%**, with
11 ~~25.27%~~ **25.35%** paid directly by the employer.

12 (3) In addition to the employer payments described in
13 subsection (2), the employer shall pay the applicable contributions
14 to the Tier 2 plan, as determined by the public school employees
15 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

16 (4) The contribution rates in subsection (2) reflect an
17 amortization period of ~~24-23~~ years for ~~2014-2015~~. **2015-2016**. The
18 public school employees' retirement system board shall notify each
19 district and intermediate district by February 28 of each fiscal
20 year of the estimated contribution rate for the next fiscal year.

21 Sec. 147a. From the appropriation in section 11, there is
22 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
23 \$100,000,000.00 for payments to participating districts. A district
24 that receives money under this section shall use that money solely
25 for the purpose of offsetting a portion of the retirement
26 contributions owed by the district for the fiscal year in which it
27 is received. The amount allocated to each participating district

under this section shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this section, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$658,400,000.00-\$892,900,000.00~~ from the state school aid fund ~~and there is appropriated for 2014-2015 an amount not to exceed \$18,000,000.00 from the MPSEERS retirement obligation reform reserve fund,~~ for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for ~~2014-2015-2015-~~ **2016** an amount not to exceed ~~\$500,000.00-\$600,000.00~~ for payments to district libraries that are participating entities of the Michigan public school employees' retirement system.

(2) For ~~2014-2015,~~ **2015-2016**, the amounts allocated under subsection (1) are estimated to provide an average MPSEERS rate cap per pupil amount of ~~\$449.00-\$601.00~~ and are estimated to provide a rate cap per pupil for districts ranging between \$4.00 and ~~\$2,056.00.~~ **\$2,300.00.**

(3) Payments made under this section for ~~2014-2015-~~ **2015-2016**

1 shall be equal to the difference between the unfunded actuarial
2 accrued liability contribution rate as calculated pursuant to
3 section 41 of the public school employees retirement act of 1979,
4 1980 PA 300, MCL 38.1341, as calculated without taking into account
5 the maximum employer rate of 20.96% included in section 41 of the
6 public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1341, and the maximum employer rate of 20.96% included in
8 section 41 of the public school employees retirement act of 1979,
9 1980 PA 300, MCL 38.1341.

10 (4) The amount allocated to each participating entity under
11 this section shall be based on each participating entity's
12 proportion of the total covered payroll for the immediately
13 preceding fiscal year for the same type of participating entities.
14 A participating entity that receives funds under this section shall
15 use the funds solely for the purpose of retirement contributions as
16 specified in subsection (5).

17 (5) Each participating entity receiving funds under this
18 section shall forward an amount equal to the amount allocated under
19 subsection (4) to the retirement system in a form, manner, and time
20 frame determined by the retirement system.

21 (6) Funds allocated under this section should be considered
22 when comparing a district's growth in total state aid funding from
23 1 fiscal year to the next.

24 (7) Not later than ~~October 20, 2014,~~ **DECEMBER 20, 2015**, the
25 department shall publish and post on its website an estimated
26 MPSERS rate cap per pupil for each district.

27 (8) As used in this section:

1 (a) "MPERS rate cap per pupil" means an amount equal to the
2 quotient of the district's payment under this section divided by
3 the district's pupils in membership.

4 (b) "Participating entity" means a district, intermediate
5 district, or district library that is a reporting unit of the
6 Michigan public school employees' retirement system under the
7 public school employees retirement act of 1979, 1980 PA 300, MCL
8 38.1301 to 38.1437, and that reports employees to the Michigan
9 public school employees' retirement system for the applicable
10 fiscal year.

11 (c) "Retirement board" means the board that administers the
12 retirement system under the public school employees retirement act
13 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

14 (d) "Retirement system" means the Michigan public school
15 employees' retirement system under the public school employees
16 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

17 Sec. 152a. (1) As required by the court in the consolidated
18 cases known as Adair v State of Michigan, Michigan supreme court
19 docket nos. 137424 and 137453, from the state school aid fund money
20 appropriated in section 11 there is allocated for ~~2014-2015-2015-~~
21 **2016** an amount not to exceed \$38,000,500.00 to be used solely for
22 the purpose of paying necessary costs related to the state-mandated
23 collection, maintenance, and reporting of data to this state.

24 (2) From the allocation in subsection (1), the department
25 shall make payments to districts and intermediate districts in an
26 equal amount per-pupil based on the total number of pupils in
27 membership in each district and intermediate district. The

1 department shall not make any adjustment to these payments after
2 the final installment payment under section 17b is made.

3 Sec. 163. (1) Except as provided in the revised school code,
4 the board of a district or intermediate district shall not permit
5 any of the following:

6 (a) A noncertificated ~~teacher~~**EDUCATOR** to teach in an
7 elementary or secondary school or in an adult basic education or
8 high school completion program.

9 (b) A noncertificated ~~counselor~~**EDUCATOR** to provide counseling
10 services to pupils in an elementary or secondary school or in an
11 adult basic education or high school completion program.

12 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL**
13 **PROGRAMS IN AN ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC**
14 **EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS THAT EDUCATOR**
15 **IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.**

16 (2) Except as provided in the revised school code, a district
17 or intermediate district employing ~~teachers or counselors~~**EDUCATORS**
18 not legally certificated **OR LICENSED** shall have deducted the sum
19 equal to the amount paid the ~~teachers or counselors~~**EDUCATORS** for
20 the period of noncertificated, **UNLICENSED**, or illegal employment.
21 Each intermediate superintendent shall notify the department of the
22 name of the noncertificated ~~teacher or counselor~~**, OR UNLICENSED**
23 **EDUCATOR**, and the district employing that individual and the amount
24 of salary the noncertificated ~~teacher or counselor~~**OR UNLICENSED**
25 **EDUCATOR** was paid within a constituent district.

26 (3) If a school official is notified by the department that he
27 or she is employing a nonapproved, noncertificated, ~~teacher or~~

1 ~~counselor~~ **OR UNLICENSED EDUCATOR** in violation of this section and
2 knowingly continues to employ that ~~teacher or counselor,~~ **EDUCATOR,**
3 the school official is guilty of a misdemeanor, punishable by a
4 fine of \$1,500.00 for each incidence. This penalty is in addition
5 to all other financial penalties otherwise specified in this
6 article.

7 Enacting section 1. (1) In accordance with section 30 of
8 article IX of the state constitution of 1963, total state spending
9 on school aid in article I under 2014 PA 196, 2015 PA 5, and this
10 amendatory act from state sources for fiscal year 2014-2015 is
11 estimated at \$11,864,647,400.00 and state appropriations for school
12 aid to be paid to local units of government for fiscal year 2014-
13 2015 are estimated at \$11,705,999,600.00.

14 (2) In accordance with section 30 of article IX of the state
15 constitution of 1963, total state spending on school aid in this
16 amendatory act from state sources for fiscal year 2015-2016 is
17 estimated at \$12,193,294,700.00 and state appropriations for school
18 aid to be paid to local units of government for fiscal year 2015-
19 2016 are estimated at \$12,032,877,700.00.

20 Enacting section 2. Sections 12, 22c, 22g, 22j, 31b, 32r, 64c,
21 64d, 74a, 99b, and 147d of the state school aid act of 1979, 1979
22 PA 94, MCL 388.1612, 388.1622c, 388.1622g, 388.1622j, 388.1631b,
23 388.1632r, 388.1664c, 388.1664d, 388.1674a, 388.1699b, and
24 388.1747d, are repealed effective October 1, 2015.

25 Enacting section 3. (1) Except as otherwise provided in
26 subsection (2), this amendatory act takes effect October 1, 2015.

27 (2) Sections 11, 18a, and 95a of the state school aid act of

1 1979, 1979 PA 94, MCL 388.1611, 388.1618a, and 388.1695a, as
2 amended by this amendatory act, take effect upon enactment of this
3 amendatory act.